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Cynicism Greets Aquino Verdict As Attention Shifts to Election

By Seth Mydans
New York Times Service
MANILA — Although demonstrators burned tires, honked horns and banged on lamp posts here Tuesday to protest Monday's acquittal of 26 men accused in the killing of Benigno S. Aquino Jr.,

the acquittal was greeted with cynicism rather than the passion that has fired huge rallies in the past.

A day after the acquittal, attention was quickly shifting to what appeared to be the more pressing matters of military reorganization and a presidential election campaign.

The assassination in 1983 of Mr. Aquino, the nation's most popular opposition figure and the main rival of President Ferdinand E. Marcos, brought the Philippines to the brink of chaos two years ago. The slaying remains the divisive backdrop for the new developments.

But Mr. Marcos's opponents appear to have accepted the outcome of the trial with weary cynicism rather than with the angry outburst the president may have feared.

One reason for this is the timing of the verdict, over which most people here believe the president had the final word. It came after two years of slow and frustrating legal maneuvering and in the midst of pre-election jostling among Mr. Marcos's opponents.

The president took pains to move actively to other matters as



Corason Aquino declared her candidacy in the Philippines. Page 5.

clear that deep changes would be made or that General Ver would be reassigned.

After an immediate outpouring of condemnation by many public figures, many of whom repeated their earlier criticisms of the proceedings, attention turned quickly to other matters.

As planned, Mr. Aquino's widow, Corason, announced her candidacy Tuesday to run for president. She had been waiting only for Mr. Marcos to give the official go-ahead for the election.

To chants of "Cory, Cory," she said that she would oppose the president because "we must get somebody who is almost the complete opposite of what Marcos is." She said she could offer the nation integrity, in contrast to the political virtuosity of Mr. Marcos, whom she called "the most brilliant Filipino."

People who have become accustomed to seeing the president's hand behind most developments in their nation saw evidence of this brilliance not only in the timing but in the substance of the trial verdict. To a notable degree, the decision supported the details of the president's position on the assassination from the start.

"Who on Earth is going to believe such a preposterous decision?" said Jaime V. Ongpin, president of Benguet Corp. and a supporter of Mrs. Aquino's candidacy. "This unmitigated injustice has proven beyond doubt that Mr. Marcos controls the judiciary system. It is a decision rendered in contempt of public sentiments."

Not only did the court, whose three judges were all appointed by Mr. Marcos, find the defendants innocent of involvement in the assassination, but it also spent much of its 90-page decision disparaging the prosecution's case and its witnesses.

It went further than would have been necessary simply to acquit the 26 defendants. Instead, it took pains to argue the logic of the government's contention that Mr. Aquino was killed by a lone gunman, Rolando C. Galman.

The court had been criticized almost from the start, and the prosecution was accused of pro-government bias. One member of the prosecution team resigned in the last days of the trial, saying he and his colleagues had been pressured not to pursue the case vigorously.

Criticism of the prosecutors focused in particular on two legal maneuvers that made an acquittal of General Ver almost certain.

In one of these, the prosecutors failed to appeal a ruling by the Supreme Court that barred the use of the primary evidence against General Ver.

This was his testimony before an 11-month fact-finding commission. The commission declared that the testimony showed that General Ver had covered up a military conspiracy to assassinate Mr. Aquino as he arrived in August 1983 from three years of self-imposed exile in the United States.

In the other maneuver, the prosecutors declined to accept sworn affidavits by six U.S. airmen posted at a base in the Philippines. The airmen said the Philippine Air Force had scrambled two jets on the day of the assassination.

The prosecutors said that a U.S. State Department seal on the evidence had not been properly authenticated. Critics said this evidence could have been used to argue that General Ver had known more than he admitted about the arrival plans of Mr. Aquino at Manila airport, where he was killed.



Mourners in Mamelodi, South Africa, as they carried the coffin Tuesday of a 2-month-old boy who was among those killed in a clash between protesters and the police Nov. 21.

Winnie Mandela Addresses Rally, Vows Vengeance for Fallen Blacks

By Alan Cowell
New York Times Service

MAMELODI, South Africa — Winnie Mandela, an ardent black nationalist, pledged vengeance Tuesday for the blood of fallen blacks at what she said was the first mass rally she had addressed in 25 years.

In doing so, Mrs. Mandela, the wife of the jailed leader Nelson Mandela, defied authorities by breaking an officially imposed silence.

"This is our country," Mrs. Mandela proclaimed in a soccer stadium, shortly after 12 persons slain here by police last month were buried in a mass funeral.

"In the same way as you have had to bury our children today," she said, "so shall the blood of

these heroes we buried today be avenged."

Diplomats from 11 Western countries, including the United States, attended the funeral. Timothy M. Carney, political counselor at the U.S. Embassy, said it was the first time an official U.S. representative had attended a political mass burial in South Africa.

Mr. Carney was not present when Mrs. Mandela spoke.

Mr. Carney said the U.S. decision to be represented reflected Washington's commitment to "peaceful protest and due process." He said it did not represent a shift or realignment of the U.S. policy to apartheid in Africa.

In Pretoria, meanwhile, President P. W. Botha announced the lifting of a state of emergency in eight of 38 districts where it was in

force. "The revolutionary climate is fast losing momentum," he said.

The eight districts, in the Eastern Cape and the Transvaal, were all small settlements that had not figured highly in the nation's 14-month spasm of violence, which has claimed more than 900 lives.

The emergency is still in force in large black areas around Johannesburg, Port Elizabeth and Cape Town.

Mamelodi, a black township near Pretoria, is not covered by the state of emergency and therefore was open to journalists.

An estimated 30,000 black people, including Mrs. Mandela, gathered in the cemetery under the black, green and gold banner of the African National Congress.

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House, Defying Reagan, Votes Textile-Import Cut

By Mike Robinson
The Associated Press

WASHINGTON — The House of Representatives, defying a veto threat from President Ronald Reagan, passed and sent to him on Tuesday major trade legislation that would cut textile and apparel imports entering the American market from Asia.

The margin of approval, 255-161, was short of the two-thirds

The United States is expected to retaliate soon against Japan over leather products. Page 13.

support sponsors would need if Mr. Reagan vetoed the measure and if an effort to override a veto were organized before Congress goes home for the Christmas holidays.

The vote also represented a reduction in House support from a version approved in October.

Nonetheless, the textile bill has emerged as the only major trade measure to come near to passage in a year of heightened concern over

imports. Much of the concern stems from this year's estimated \$150-billion U.S. trade deficit as well as plant closings and layoffs attributed to foreign competition.

The bill would cut textile and apparel imports from Taiwan, Hong Kong and Korea by up to 30 percent, and limit the growth of imports from Brazil and eight other Asian nations to 1 percent a year.

Canada and the European Community would be exempt. Mexico and Caribbean nations would get special status. Shoe imports would be limited to 60 percent of the American market and quotas would be imposed on luggage imports.

In a two-hour debate, House critics disclosed a letter from Clayton K. Yeutter, the U.S. trade representative, repeating that he would recommend a veto.

Sponsors countered by saying the White House has received three



Yelena G. Bonner, en route from Moscow to Rome.

Sakharov Fed by Force, Relatives Say

By Serge Schmemmann
New York Times Service

ROME — For 207 days of the past 18 months, Andrei D. Sakharov was separated from his wife and fed by force, his nose clamped shut to force him to open his mouth.

For much of that time, relatives of the dissident physicist said Tuesday, Soviet authorities tried to conceal Mr. Sakharov's hunger strike by forging or tampering with messages from the Sakharovs to friends and supporters.

Mr. Sakharov's last hunger strike began April 16. It continued, except for a two-week interruption, until Oct. 23, when he finally learned that his wife, Yelena G. Bonner, had been given permission to travel to the West for medical treatment.

Mrs. Bonner's son-in-law, Efrem V. Yankelovich, said that Mr. Sak-

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U.K.'s GEC Seeks to Buy Plessey for £1.18 Billion

By Bob Hagerty
International Herald Tribune

LONDON — General Electric Co. of Britain proposed Tuesday to buy Plessey Co., its biggest British rival, for £1.18 billion (\$1.75 billion). Analysts said the combination would boost the country's lackluster performance in exporting electronics equipment.

Plessey called a board meeting to discuss the approach from GEC, which is the biggest British electronics company. It is unrelated to the U.S. company of the same name.

The combination would consolidate GEC's position as the third-largest European supplier of telecommunications and other electronics equipment, after Siemens AG of West Germany, with \$22 billion in total sales, and Philips NV of the Netherlands, with \$19 billion. GEC and Plessey have combined annual sales equivalent to about \$10 billion.

GEC said the combined concern would be the world's seventh-largest maker of telecommunications equipment in terms of sales. At present, GEC is No. 8 and Plessey is No. 11. American Telephone & Telegraph Co. is the largest.

Some analysts have long advocated combining the two as a means of avoiding costly duplication in research, development and production.

"This gives us one company that has a chance to go for it in the world market," said John Tyson, an analyst at the stockbrokerage of Griverson, Grant & Co.

The offer comes amid an unprecedented wave of big takeover bids in Britain. Both Distillers Co., the biggest Scotch whisky maker, and Allied-Lyons PLC, a brewing and food giant, are resisting bids of about £1.8 billion each.

GEC's suggested price would value Plessey at 160 pence a share. But Plessey shares rose up 40 pence to close at 176 pence, reflecting hopes that GEC would raise its proposed offer.

At a news conference, GEC's managing director, Lord Weinstock, called 160 pence a "full" price but declined to say whether it was the maximum that GEC would pay.

The combination would require approval of the British government, by far the largest buyer of the companies' electronic weaponry.

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■ The Stock Exchange of Singapore is to reopen trading on Thursday. Page 13.

SPORTS

■ The Miami Dolphins ended the Chicago Bears' winning streak at 12 games. Page 21.

Europe Sits by the Phone, Awaiting a Revolution

By Joseph Fitchett
International Herald Tribune

PARIS — The commonplace telephone is at the center of the next technological revolution, and there is a growing fear that when the revolution calls, Western Europe will not be able to answer.

No one doubts that the stakes are gigantic.

"The nations that develop the new planetary communications will command economic and even political power in the next century as surely as the railroad-building countries have dominated the last century of history," said Michel Poniatowski, a former French minister of the interior, in a recent report on technology adopted by the European Parliament.

As computer technology revolutionizes the public phone network, telecommunications is becoming the world's biggest business. Telecommunications is expected to generate worldwide sales worth more than \$500 billion annually within five years, the U.S. Commerce Department says. Last year, sales of equipment and services for circulating the world's messages and pictures amounted to \$325 billion.

Europeans hope to collect their share. Western Europe has long excelled at building and selling tele-

communications, probably the only high technology in which Europe is roughly equal in performance to the United States and Japan.

Now "this bastion is endangered," says Konrad Seitz, policy planning chief of West Germany's Foreign Ministry. As recent interviews with numerous businessmen and political leaders confirmed, the European phone industry has become so accustomed to nationalistic protection that it may not be able to compete in what is becoming an international business.

"The future competitiveness of all businesses operating from Europe is at stake in this clash between 'national versus European' in telecommunications," warns the Round Table of European Industrialists, a panel grouping 20 corporate leaders.

The challenge for Europe is threefold: Telephones and computers are merging into a single technology, releasing a flood of new products and services; deregulation in the United States, Britain and Japan is accelerating this flood; these modernized telecommunications are dramatically improving productivity and profits.

"Data and the ability to move it, has become a source of competitive advantage and added productivity," asserts Ann Reid, a telecommunications analyst at the Organization of Economic Cooperation and Development in Paris.

But businessmen, politicians and economic analysts say that much of Europe is failing to keep pace with these innovations, mainly because telecommunications is too tightly controlled by government monopolies. Known generally as PTTs

from their official names of Post, Telegraph and Telephone agencies, these monopolies were set up many decades ago in an age when phones then depend on the telephone.

In Europe, these innovations, all of which use telephone networks, depend on PTTs. They control not only lines but the transmissions they carry, the rates, the technical standards of equipment that can be attached to the network, and access for all value-added networks, or VANS—such as electronic bulletin boards or banking by phone.

The growth of these services in continental Europe has been slowed by PTT charges and conservatism. A West German businessman, for example, has access to a dozen VANS while his counterpart in Britain, which has deregulated telecommunications, has access to more than 600.

Professor Herbert Giersch, the West German economist who coined the term "Euroclerosis," cites the PTTs as a major source of rigidity contributing to the disease.

"Telecommunication services in continental Europe's government-owned networks are notoriously expensive," he has said, charging that this cost handicaps businesses.

The French PTT until recently set its phone charges so high that

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Partial Return to Local Rule Divides Israeli-Occupied City

By William Claiborne
Washington Post Service

NABLUS, Israeli-Occupied West Bank — A measure of local rule is to be restored to the occupied West Bank's largest city this month for the first time in nearly four years when the Arab Chamber of Commerce takes over the running of civil functions from an appointed Israeli mayor.

The planned takeover has deeply divided Nablus. Critics of the move call it a sellout to Israeli interests. But its advocates say that it could lead to elections within a year, which would be the first on the West Bank since 1976. A vote, in effect, would be a plebiscite endorsing the Palestine Liberation Organization and its leader, Yasser Arafat, the advocates say.

If other West Bank cities were permitted to follow suit, Palestinian leaders here said, the revival of politics could have a profound effect, shaping future decisions on who will represent West Bank Arabs in any peace negotiations between Jordan and Israel.

The elections, the Arab leaders said, would demonstrate clearly that West Bank Palestinians insist on having the PLO represent them in peace talks.

The new mayor of Nablus, the West Bank military government has decided, is to be Zafir al-Masri,

44. He heads the chamber of commerce and is an uncle of Jordan's foreign minister, Taher al-Masri.

Mr. Masri is to succeed an Israeli Army Druze officer, Jahir Hamon, the latest Israeli appointee to the job since Mayor Bassam Shaka was deposed in March 1982, two years after his legs were blown off by a car bomb planted by Jewish settlers.

Mr. Masri, a member of one of the most powerful families in the Nablus political hierarchy, is a pro-Jordanian supporter of the PLO. But he is better known as a successful industrialist and community business leader.

He has become the target of bitter criticism by Mr. Shaka and other opponents of the takeover of city government, including the leftist faction of the trade union movement and local Communists. His critics say that accepting an appointment by the military governor and participating in Israeli-sponsored elections is "traitorous."

In an interview here, Mr. Masri contended that essential municipal services had deteriorated so much in recent years that as long as Palestinians were unable to bring an end to the occupation, they should at least try to make life bearable.

The city's electric generating plant is run-down, water services have worsened, taxes and unem-

ployment have risen and businesses have stopped growing under the Israeli administration, Mr. Masri said. Moreover, he added, 500 city workers have been on strike since the municipal council was disbanded in March 1982, compounding the joblessness.

"The question became, who should represent the people of Nablus if the Israelis were willing to step out?" Mr. Masri said. "Some said we should have a broad-based municipal leadership and not just the chamber of commerce running things. This is a good idea in principle, but practically not, because to get a broad base you need to hold meetings among many different groups," he added.

Israeli security regulations, he noted, prevent the holding of such meetings.

Mr. Masri said the purpose of the takeover was to "put the Israeli out of office, bring back the striking employees and, after a year, hold elections. Then we can say, 'O.K., we have brought back the Arab municipality.'"

If the transition goes smoothly, military government sources said, the cities of Ramallah, Hebron and Birra, all of which have Israeli Army officers serving as mayor, could follow Nablus's example.

Mr. Masri said that he made repeated inquiries to the Jordanian government and the PLO about their positions on the changeover and received no answers.

"About six months ago, they said: 'Stop asking us what to do. It's up to the people.' I figured if there was no objection from Jordan or the PLO, then they approved. They could have made a statement either directly or on television, but there was nothing," Mr. Masri said.

Mr. Shaka, a former Syrian Ba'ath Party activist, has turned increasingly toward radical, pro-Syrian PLO splinter groups since he was deposed by the military governor. He stands to become even more politically isolated if Mr. Masri succeeds in gaining elections next year.

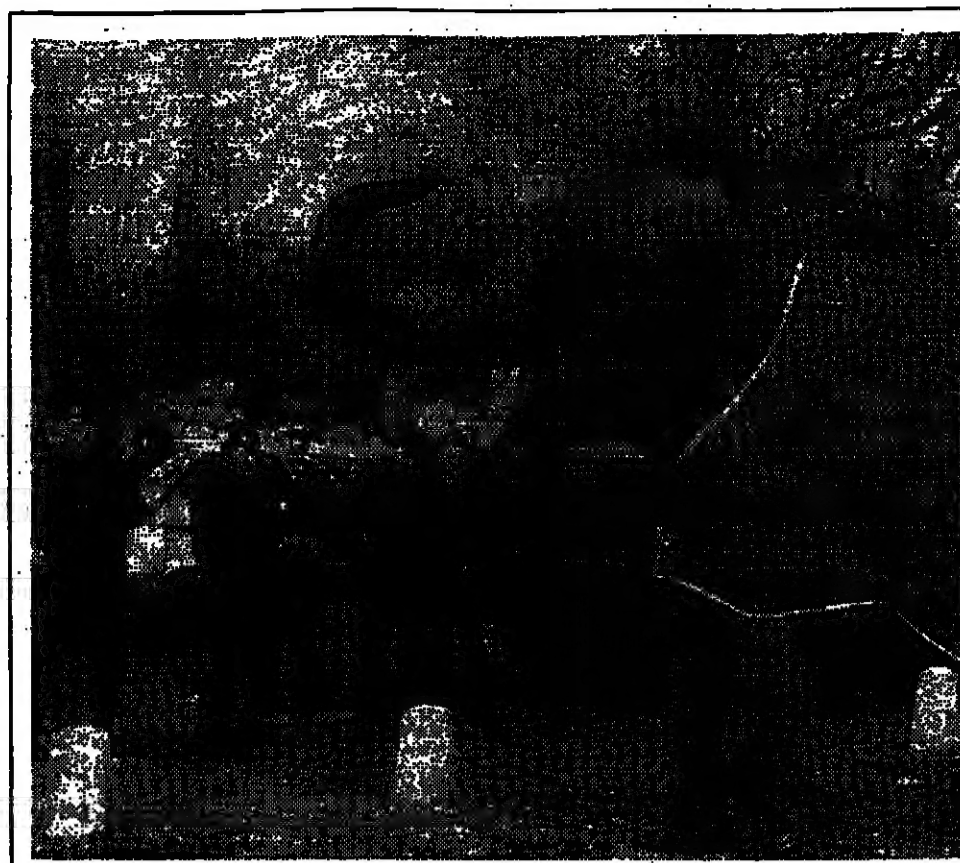
But he continues to oppose Mr. Masri's compromise with the military government, saying that as long as Nablus is occupied it should not cooperate with the Israelis.

Palestinian Is Killed

A radical Palestinian group claimed responsibility Tuesday for the killing Monday of a West Bank lawyer, Aziz Shihadeh, and said all "hiredlings" of Israel faced the same fate, Reuters reported from Damascus.

The Fatah Revolutionary Council, led by Sabri al-Banna, who is known as Abu Nidal, said that Mr. Shihadeh was killed because of his "double allegiance" to King Hussein of Jordan and to Israel.

Mr. Shihadeh was found stabbed to death in Ramallah.



French Entertainers Occupy Tuileries

An elephant is put up against French policemen at the Tuileries Gardens in central Paris, as about 100 fairground entertainers occupied the park with their exhibits to protest the banning of entertainers at many areas in French cities. The protesters said that if the police tried to evict them they would shelter behind their elephants and "defend ourselves with firecrackers and rockets."

France Assails Ethiopia for Ejecting Relief Group That Saved 'Thousands'

Agence France-Presse

PARIS — The Foreign Ministry issued a communique Tuesday deploing Ethiopia's decision to expel representatives of Doctors Without Borders, a private French humanitarian group.

The French ministry said the young doctors had performed "admirable" relief work under difficult conditions in Ethiopia, and it deplored that the agency would be unable to continue a mission that already had saved "thousands of human lives" in that country.

Ethiopia's decision to halt the group's operations was announced Monday night in Addis Ababa. Doctors Without Borders has been working in Ethiopia since March 1984.

The ministry also said that France had no intention of contributing in any way to the Ethiopian government's program of transferring refugees from the north where there is drought to more fertile areas in the south.

Doctors Without Borders has charged that many people were forced to move and that the resettlement has caused up to 100,000 deaths. It was that allegation that led to the relief group's expulsion.

The organization had a team of 25 in Ethiopia, including seven

doctors and 11 nurses, and employed 250 Ethiopians. It has been operating in four centers, three in Wollo province and one in the Tigre region.

Expulsion Was First

Blaine Harden of The Washington Post reported earlier from Addis Ababa.

The expulsion of Doctors Without Borders marks the first time since the famine emergency began last year that the government has ordered a relief agency out of the country. The group was one of 47 private relief organizations operating in Ethiopia.

Berhanu Dersessa, the deputy director of the government's Relief and Rehabilitation Commission, said the group's members "are wasting our time and they are wasting the resources of the French people by spending their money on political activities."

Mr. Berhanu declared Monday night that Doctors Without Borders "does not exist anymore in Ethiopia" and ordered the government to take over the organization's four medical and feeding operations.

The agency's medical coordinator in Addis Ababa reacted angrily

to the expulsion, which he said had been anticipated by the group.

"We are not a blind humanitarian organization. We do not work in a country at any price," said Dr. Bertrand Desmoulin, who oversees the group's doctors, nurses and logistics officers in Ethiopia.

"It is much easier to do your work and not look around at the things that are wrong," he said. "We have been speaking out to emphasize the needs of the Ethiopian people."

In a series of statements that were highly publicized in Europe in recent weeks, Doctors Without Borders has accused the United Nations' emergency operation in Ethiopia of covering up abuses of the government's resettlement program. Nearly 600,000 persons have been moved from the north to the southwest under the program.

The French agency also has charged that 50,000 to 100,000 people weakened by famine have died as a result of being transported forcibly to the south.

The claims of Doctors Without Borders, however, are disputed by the United Nations and by donor governments such as the United States, which often criticize Ethiopia's famine relief efforts.

Ethiopian donors say that Doctors Without Borders has no evidence to back up its charges about the deaths of thousands of resettled people. Several donors, both private and governmental, also have remarked recently that the French agency appeared to want to be expelled from Ethiopia.

Doctors Without Borders, which operates in 30 countries with 350 doctors and nurses, has demanded a "moratorium" on the resettlement effort. The program is a priority of the Marxist government.

When Ethiopia announced the program last fall, it promised that resettlement would be voluntary and that families would be kept together. But according to reports from relief workers, the program has not been voluntary in thousands of cases, and many families have been split up.

During the past year, Doctors Without Borders has been willing to say publicly what many relief agencies would say only anonymously.

In April, the agency declared that a cholera epidemic had broken out in several northern feeding centers. Other relief agencies confirmed the report but refused to do so publicly, fearing expulsion from the Ethiopian government.

WORLD BRIEFS

Archbishop Backs Criticism of Tories

LONDON (Reuters) — The archbishop of Canterbury, the Most Reverend Robert Runcie, strongly backed Tuesday a church commission's report criticizing many of the Conservative government's economic policies.

The report on urban conditions, which referred to Prime Minister Margaret Thatcher's economic policies as dogmatic and inflexible, was endorsed by the opposition Labor Party, while an unnamed government minister had called it "pure Marxist theology."

Praising the report, Archbishop Runcie, who is the head of the Anglican Church, said: "It is deep in our tradition, as it is in Marxism, to be concerned with such things. In that respect, and that respect only, can one say our report shares something with Marxism."

Reagan May Accept Democrat Tax Plan

WASHINGTON (AP) — Republican congressional leaders met Tuesday with President Ronald Reagan and predicted that he would stop short of rejecting a Democratic alternative to his tax-revision plan and might even give the Democratic measure a qualified endorsement.

The White House said that Mr. Reagan would make no decision until he had studied reports by the Treasury Department and the Council of Economic Advisors on the economic impact of the proposal, which is expected to be approved by the House Ways and Means Committee.

The Republicans have written an alternative that would be somewhat more favorable to business. The Senate majority leader, Robert J. Dole, said that Mr. Reagan "is going to look at the Republican package. I don't know what he will do. Maybe he will endorse them both."

Thatcher, FitzGerald Confirm Accord

LUXEMBOURG (AP) — Prime Ministers Margaret Thatcher of Britain and Garret FitzGerald of Ireland met Tuesday and confirmed that the British-Irish agreement signed last month would be put into effect as planned, despite opposition by Protestant leaders in Northern Ireland.

The Nov. 15 agreement calls for a consultative role in Northern Ireland by Ireland, with safeguards for the Roman Catholic minority. Protestant leaders have objected that the agreement endangered the future of the Protestant majority in Northern Ireland.

A statement issued by British and Irish officials after the 45-minute meeting Tuesday said the two leaders "confirmed the agreement would be implemented as planned." The statement said the two hoped that the Protestants in favor of continued union with London "would come to understand the reassurance on the status of Northern Ireland" in the agreement.

Ex-Teamsters Leader Ordered to Jail

CHICAGO (LAT) — A federal judge has ordered Roy L. Williams, former president of the International Brotherhood of Teamsters, to report to prison to begin serving a 10-year sentence for conspiring to defraud a Teamsters pension fund and to bribe former Senator Howard W. Cannon, Democrat of Nevada.

Under Monday's ruling, Mr. Williams becomes the third of the union's four former presidents to go to prison. He was convicted in 1982. He is the first to break the code of silence and speak both in public and in secret about organized crime links to the Teamsters. Mr. Williams' attorney, Michael LeVota, said that he feared that his client, who has severe emphysema, "will die in prison."

In recent months Mr. Williams, 70, sought to have his sentence reduced or changed to probation by testifying at a trial of crime syndicate figures in Kansas City and by



Roy L. Williams

giving secret testimony to a presidential commission on organized crime.

Mugabe Signs Accords With Moscow

MOSCOW (NYT) — Prime Minister Robert Mugabe of Zimbabwe, concluding his first official visit to Moscow, reached agreement Tuesday with Soviet leaders on two accords aimed at improving relations, Tass announced.

The Soviet news agency said that Mr. Mugabe and Nikolai I. Ryzhkov, the Soviet prime minister, signed an agreement to increase economic and technological cooperation and a protocol to expand political ties. No details were provided.

Mr. Mugabe also met with Mikhail S. Gorbachev, the Soviet leader, in what was described as a "warm and friendly atmosphere." Although an avowed Marxist, Mr. Mugabe rebuffed Soviet overtures in the past because of Soviet support for Joshua Nkomo, another black nationalist leader, during the seven-year war against the white regime of what was then called Rhodesia.

Jaruzelski, in Paris, to See Mitterrand

PARIS (UPI) — General Wojciech Jaruzelski, the Polish leader, arrived Tuesday in France for talks with President Francois Mitterrand on a visit that received sharp criticism in France even before it began.

General Jaruzelski, who came at his own request in an effort to improve relations with the West, was greeted only by the Foreign Ministry's chief of protocol. He will see Mr. Mitterrand, the first Western leader to receive him, on Wednesday. The Polish government was virtually isolated by Western nations after General Jaruzelski declared martial law Dec. 13, 1981.

The center-right union of French managers, professional people and technicians called the visit "shameful for France." The newspaper Le Monde in a front-page article titled "Why?" called the visit "an extraordinary breach in the Western front."

For the Record

The U.S. space shuttle Atlantis landed Tuesday in California, returning from a week in orbit and a first test of construction techniques that will be used to build an American space station.

Israeli troops killed five Palestinian guerrillas in the Hasbaya area of southern Lebanon on Tuesday, an army spokesman said. The Israelis captured several guerrillas and seized weapons, he said.

In central Chile, at least one man died and nine were wounded in 19 bomb explosions Monday night, the police reported Tuesday. No one claimed responsibility. The explosions destroyed six buses and damaged other targets.

Mubarak Denies Plans to Fight Libya

Reuters

CAIRO — President Hosni Mubarak said Tuesday that Egypt had no plans for war with Libya despite reports of a buildup of troops along both sides of the frontier.

"Egypt is an Arab and an African country and it is impossible for Egypt to fight an Arab or African brother," Mr. Mubarak reportedly told a conference of African interior ministers.

Meanwhile, police set up barriers around a luxury hotel on Cairo's outskirts and four trucks filled with plainclothes security men stood by as Egyptian and Israeli officials met for fresh talks on a dispute over the Taba beach resort.

Taba, a 760-yard (690-meter) strip along the Gulf of Aqaba, is

claimed by Egypt and has been held by Israel since it withdrew from the rest of Sinai in 1982. The talks will be informal, officials said.

Mr. Mubarak's remarks on Libya were relayed to reporters by the interior minister, Major General Ahmad Rushdi.

A military alert was ordered on the Egyptian border after Arab gunmen hijacked an EgyptAir jetliner to Malta on Nov. 23 and officials accused Libya of complicity.

Sixty persons were killed in the hijacking and the Egyptian commando assault on the plane.

Libya dismissed the accusation of complicity and said that Egypt was planning to invade. That charge in turn was rejected by Mr. Mubarak and other Egyptian officials.

But Mr. Mubarak's statement Tuesday that the alert was "mere calculation for any expected developments" was his most specific rebuttal to the possibility of war.

Egypt's armed forces chief of staff, General Ibrahim el-Orabi, said that Libya also had been concentrating troops along its eastern borders with Egypt and Sudan.

"We have spotted increasing activities on both front lines and accordingly took precautionary defensive measures," he told reporters. The Egyptian leader, he said, "is an ordinary military man

sure to confront any possibilities."

He said that Egyptian ground and air forces had just ended a three-day exercise that had no connection with the Libyan troop concentrations.

Passenger Forced to Help

A Greek passenger was forced at gunpoint to help the hijackers, apparently leading the EgyptAir pilot to think he was an accomplice, a Maltese government spokesman said Monday. The Associated Press reported from Valletta.

Maltese sources said that only four hijackers were on the jet that Egyptian commandos stormed to end a 22-hour standoff at Valletta's Luqa Airport. The plane had been en route from Athens to Cairo.

The pilot, Captain Hani Galal, has said he thought there were as many as five hijackers.

Paul Miffend, the spokesman, said that according to passengers, the hijackers forced the Greek to serve food and collect passports.

Meanwhile, a Maltese source close to the investigation of the hijacking said that investigators had determined that one hijacker died in a midair shoot-out and two in the commando raid, while the fourth was in a hospital in Malta.

He said it had not been established whether the hijackers were from or with what organization they were affiliated.

FRED
JEWELLER HOROLOGER
6, Rue Royale - Paris Loews Hotel-Monte Carlo

HUBLOT
Quartz movement - Water resistant 5-atom 18 K gold, gold and steel, all steel. Natural rubber strap. Registered model.

A BERRY, A SEED AND A ROOT STEEPED IN HISTORY

Juniper berries from Northern Italy, coriander seeds from England and angelica root from Flanders. These are what impart such delicate characteristics to Beefeater gin.

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THE GIN OF ENGLAND

As Campaign Nears, Polls Say Kohl's Appeal Rising

Reuters

BONN — The government of Chancellor Helmut Kohl, buffeted over the past year by scandals and low popularity ratings, has made a powerful comeback in opinion polls as West Germany gears up for a yearlong election campaign.

An authoritative survey conducted this week by the television channel ZDF indicated that Mr. Kohl's

Christian Democratic Union had moved ahead of the opposition Social Democratic Party for the first time in nine months, and that Mr. Kohl's personal appeal was rising.

But Christian Democratic officials found another outcome of the poll to be even more encouraging for their electoral hopes.

The survey showed that optimism about Germany's economic prospects is sweeping the country while fears about unemployment are receding.

"The poll," said a senior aide to Mr. Kohl who asked not to be named, "reflects a substantial shift in the mood of the population to the ward greater confidence in the future. That will work in the government's favor and carry us through the next election."

The apparent change of mood has dampened spirits in the Social Democratic Party as it prepares to open its campaign for the general election scheduled for February 1987.

Johannes Rau, the Social Democrat who will run against Mr. Kohl, is to present his policies Dec. 16 in a speech in the town of Ahlen.

Polls showed Mr. Rau to be the most popular politician through most of the year. But a decline in the ratings and the rise of the Christian Democrats have tempered his optimism about his chances of ending the ruling coalition's majority.

He conceded last week in Bonn that the government was finally ahead in the polls, but said that he expected the picture to be different in a year.

The results of both polls indicated that the center-right coalition would be returned to power with a more than adequate parliamentary majority if elections were held now.

The ZDF poll also showed that 54 percent of those questioned believed the country was in the midst of an economic upturn, compared to only 41 percent who said so last spring and 46 percent earlier this fall.

A poll published Tuesday by the Emnid research institute showed the Christian Democrats with support from 44 percent of those polled, the Social Democrats with 40 percent and the Free Democrats with 8.5 percent.

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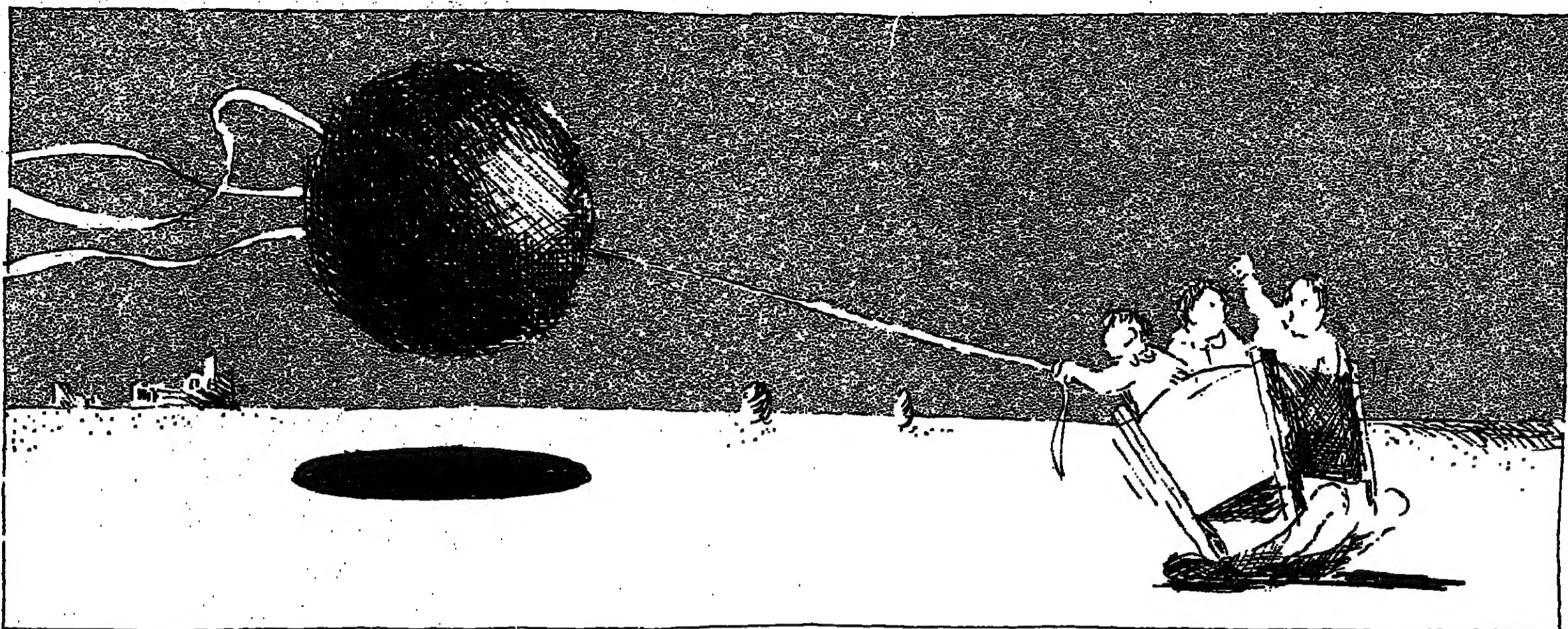
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Mrs. Aquino Declares Candidacy, Asks Laurel to Run With Her

By Abby Tan
Washington Post Service

MANILA — Corason Aquino formally announced her candidacy for the Philippine presidency on Tuesday and asked Salvador H. Laurel to be her vice-presidential running mate.

Mr. Laurel, who heads an alliance of opposition parties known as the United Nationalist Democratic Organization, did not immediately give Mrs. Aquino an answer.

But he said: "I will settle for anything to ensure unity and total victory of the opposition and to bring about the dismantling of the unwanted regime."

His words boosted the opposition's hopes that a unified ticket would oppose President Ferdinand E. Marcos in the election scheduled Feb. 7. Mr. Laurel, 57, previously had insisted that he would run only for the presidency.

The various opposition factions have been unable to decide on a common candidate to challenge Mr. Marcos.

Mrs. Aquino, 52, is the widow of Benigno S. Aquino Jr., a popular opposition leader who was assassinated as he returned to the Philippines in August 1983. She received 1.2 million signatures endorsing her candidacy.

Explaining her decision to run against Mr. Marcos, she said: "I sense a growing feeling of helplessness and a creeping belief that no matter what abuse may be thrown at our faces, we are powerless to do anything about it."

Mr. Marcos has denied any role in the killing of Mr. Aquino.

General Fabian C. Ver and 25 others were acquitted Monday by a three-judge trial court of any involvement in the slaying. The immediate reinstatement of General Ver as the chief of staff of the Philippine armed forces prompted demonstrations in Manila.

Mr. Marcos, after meeting for four hours with his top generals, ordered Tuesday that 23 military personnel who were confined to barracks during the trial be returned to their units. The meeting concerned the reorganization of the armed forces.

Analysts said that an Aquino-Laurel ticket would present the strongest challenge yet to the 20-year rule of Mr. Marcos. Mrs. Aquino's moral leadership and Mr. Laurel's well-placed political machinery, they said, would be a formidable combination if elections were held fairly and honestly.

A well-placed opposition source said that the U.S. ambassador, Stephen Bosworth, and Cardinal Jaime L. Sin, the archbishop of Manila, had met with the two contenders and had told them that they must unite if they hoped to unseat Mr. Marcos.

Pressure from their own supporters also had been building, aides to both candidates said. Most of the eight regional parties and many of the elected assemblymen identified as supporters of Mr. Laurel were said to have begun leaning toward Mrs. Aquino.

In announcing her candidacy, she said: "I hereby affirm my candidacy and confirm my willingness if elected to serve our people as president of the republic of the Philippines."

Wild cheering and chants of "Cory, Cory" filled an auditorium in a downtown building.

Mrs. Aquino made her announcement only hours after Mr. Marcos signed into law a bill authorizing the election. Campaigning officially begins Dec. 11.

The current six-year term of Mr. Marcos does not expire until 1987. He called for an early election after he was criticized by the United States over his handling of the Communist insurgency and the economy.

Meanwhile, General Ver announced Tuesday that he was reshuffling six officers and retiring a navy commodore. He appointed a loyalist, Commodore Brilante Ochoa of the coast guard, to replace him.

It is not known how long General Ver will remain at his post. Mr. Marcos said Tuesday in a statement that the military reorganization would involve 50 senior officers.

The statement also said that Manila's police chief, Major General Prospero Olivas, had resumed his post but had indicated a desire to retire.

Mr. Marcos complained in the statement that a military buildup that he had initiated to fight the Communist insurgency was being hampered by a delay in the delivery of \$60 million worth of military aid.

Allies Criticize Dutch For Cut in Nuclear Role

Reuters

BRUSSELS — Defense ministers of the North Atlantic Treaty Organization criticized Tuesday a unilateral decision by the Netherlands to reduce the nuclear missions of its armed forces and appealed to the Dutch to reconsider, officials said.

A senior NATO official said the ministers were "profoundly unhappy" with the Dutch decision to eliminate two nuclear tasks that would be assigned to the Dutch Air Force in case of war. The tasks will be dropped after U.S. cruise missiles are deployed in the Netherlands in 1988.

"Nearly all of them made the point that the political implications for sharing risks and burdens on the part of the Dutch by dropping these two roles were unwelcome," the NATO official said.

The most outspoken criticism came from the other countries de-

playing U.S. cruise and Pershing-2 missiles — Britain, West Germany, Italy and Belgium.

Diplomats said the British defense secretary, Michael Heseltine, called the decision "profoundly disturbing" and suggested the Dutch had given in to pressure from anti-nuclear protesters.

The Dutch defense minister, Jacob de Kruiter, replied that if the cabinet had not decided to drop the tasks, it might have been impossible to persuade the parliament to approve the basing of the 48 cruise missiles.

The Dutch cabinet decided last Friday to drop the nuclear roles assigned to two squadrons of F-16 fighters and 13 Orion sea patrol planes despite a personal appeal by NATO's secretary general, Lord Carrington. The F-16s are equipped to deliver nuclear bombs and the Orions to drop atomic depth charges.

The NATO official said the ministers did give credit to the Dutch for agreeing to deploy cruise missiles. But diplomats said the decision was one of the harshest exchanges heard at a NATO meeting.

Diplomats quoted Defense Minister Giovanni Spadolini of Italy as saying the Dutch decision was "highly inappropriate." The Belgian defense minister, François-Xavier de Donckere, said the Dutch move could have damaging effects on nuclear deterrence, the diplomats reported.

They said Caspar W. Weinberger, the U.S. defense secretary, warned that other countries would have to pick up the nuclear tasks the Dutch were dropping.

■ U.K. Participation in SDI

Mr. Weinberger said Tuesday that the United States is reasonably close to signing an agreement with Britain to participate in President Ronald Reagan's Strategic Defense Initiative for a space-based missile defense, United Press International reported from Brussels.

Mr. Weinberger indicated the accord could be signed later this week when he meets with Prime Minister Margaret Thatcher in London. Mr. Thatcher said last week she hoped an agreement could be signed by Christmas.

■ New Minister Named

General Heinz Kessler was appointed East Germany's new defense minister Tuesday as Warsaw Pact ministers began a meeting that had been delayed by the death Monday of his predecessor, General Helmuth Hoffmann, Reuters reported from Berlin.

Surveys have shown that Mr. Johnson's defeat in 1970 at the age of 36, he was Canada's youngest provincial premier. Six years later, his career seemed to be at an end when the Parti Québécois won 71 seats to his party's 26, and the Parti Québécois leader, René Lévesque, became premier.

Mr. Bourassa began working toward political recovery by traveling abroad and studying. He was elected Liberal leader in Quebec in 1983, and in June won a legislative seat in the Bertrand district, the seat he lost in Monday's election.

The Parti Québécois has been trying to redefine its mission since 1980, when Quebec voters rejected by a 3-2 margin the party's proposal that it be allowed to negotiate a new relationship with Ottawa called sovereignty-association.

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New Caledonia Court Is Bombed
A bomb destroyed the courthouse in New Caledonia's capital of Nouméa on Tuesday. Hours later, the National Assembly in Paris passed a measure giving amnesty to Caledonians convicted of minor crimes committed before September 1985. The bill was opposed by anti-independence organizations.

Sakharov Was Force-Fed For 207 Days, Relatives Say

(Continued from Page 1)

harov's condition after the ordeal was "certainly very precarious."

During the hunger strike, he said, abnormalities in the physicist's heart rhythm grew more pronounced and his weight dropped from 180 to 136 pounds (from 81 to 62 kilos). But Mr. Sakharov's weight rose to 163 pounds, Mr. Yankelovich added, during the month that he spent with his wife before her departure.

He released a photograph of Mr. Sakharov in which the dissident appeared gaunt and aged. It was taken two days after his release from the hospital.

"He says he feels good, he does exercises every day and has resumed his scientific work," Mr. Yankelovich said.

For the Sakharovs, Mrs. Bonner's release marked the triumphant breach of a wall that Soviet authorities had erected around their lives in Gorki.

"It was a major reversal of the Soviet government's policy of the last years of completely isolating the Sakharovs," said Mr. Yankelovich, who came with Miss Bonner's son, Alexei I. Semenov, from their home in Newton, Massachusetts, to meet her in Italy. "We hope it is a permanent reversal."

Mrs. Bonner spent her first full day in Rome on Tuesday resting from her trip and from a reunion with her relatives. She maintained the public silence that Soviet authorities told her would be a condition of the trip.

She will travel to Siena, in central Italy, this week for treatment for her eyes and is to fly later to Boston for a heart bypass operation.

Mr. Yankelovich said Miss Bonner had to rest frequently because of her weak heart and that she had aged since he last saw her in 1979. "But psychologically she has not changed," he said.

He said Miss Bonner had sent a telegram to her husband Monday during a stopover in Milan that said: "The three of us are drinking coffee in Milan."

Mr. Yankelovich and Mr. Semenov provided the information about the Sakharovs' life in Gorki in interviews and a press conference Tuesday. They said their account was based on telephone conversations with Mr. Sakharov last month and on facts that had slipped out of Gorki.

Mrs. Bonner, they said, had "clarified" that information but had not added to its substance. Their report, supplemented by others from friends who had talked to Mrs. Bonner in Moscow, provided a stark glimpse of the lonely couple's struggle against the KGB's efforts to isolate them.

Mr. Sakharov, winner of the 1975 Nobel Peace Prize, has been exiled to Gorki, a city on the Volga River that is forbidden to foreigners, since 1980. He was one of the Soviet Union's most noted nuclear physicists until his outspoken advocacy of human rights resulted in government efforts to silence him.

Mrs. Bonner joined him in Gorki in 1984 after being sentenced to five years' internal exile on charges of slandering the Soviet state.

"I bring you a message of love from those you sent outside to help fight for this liberation that has led to our burying our children," she said in reference to the African National Congress. Her husband is life president of the congress, the best known of exiled guerrilla movements seeking the violent overthrow of apartheid rule.

"Pretoria has failed to rule this country," she declared. "We are here as testimony to the fact that the solution of this country's problems lies in black hands."

"The day is not far when we shall lead you to freedom," she said. The speech presented the authorities with a dilemma. If Mrs. Mandela is permitted to continue flouting her banning order, then the white government could appear weak in the eyes of blacks and whites. But if the authorities enforce the ban, the action almost certainly would be presented by their critics as evidence that the government's promises of political and racial reform are hollow.

By early Tuesday evening there had been no reports of violence.

House Defies Reagan, Votes Textile-Import Cut

(Continued from Page 1)

million letters from textile workers urging Mr. Reagan to sign the bill. Supporters predicted a new round of plant closings and layoffs without approval of the measure, which also provides import relief to copper industry.

"They are against the wall," declared Rep. Olympia J. Snowe, Republican of Maine. Rep. Philip M. Crane, a Republican of Illinois, however, called the bill "protectionism in its worst form."

As the House opened debate on the measure already passed by the Senate, the House speaker, Thomas P. O'Neill Jr., said the Reagan administration's "big-deal policies" and "hands-off attitude" were responsible for U.S. trade problems.

"The trade bill we consider today will provide relief to industries that have been absolutely slaughtered by Reagan policies," the Massachusetts Democrat said. "It will signal to the world that the U.S. Congress does not share the president's soft line on trade."

Sponsors continued to hope Mr. Reagan would change his mind. "I'm still not totally convinced that he will veto it," said Rep. Edgar L. Jenkins, Democrat of Georgia and one of the measure's key supporters. He acknowledged, however, that he saw no signs that the White House would not keep veto threats.

Leading critics, including importers and retailers, say the measure would raise clothing prices, narrow consumer choices and unleash retaliation in Asia against U.S. farm exports.

Estimates of the cost to U.S. consumers have ranged from \$16 billion to \$32 billion a year, while supporters say price increases would be negligible.

Supporters — chiefly textile and apparel companies and organized labor — say limits are the only answer to Asian competition that has caused 300,000 layoffs in five years. A Commerce Department report says fewer than 200,000 jobs have been lost, not all necessarily because of imports.

Opponents argue that the bill would violate 34 international agreements and cast America in the role of a hypocrite, since it has been the leading exponent of free trade for four decades.

On Oct. 10, the House passed by 262-159 a version of the measure, under which Brazil and 11 Asian nations would have taken the brunt of the provisions. The Senate re-drafted the bill to narrow to three the number of countries that would face actual cutbacks, and approved its version 60-39 on Nov. 13.

The Senate also added shoe quotas to enlist support of New England lawmakers and the copper provision to attract senators from the West.

Also important will be the reaction of British Telecommunications PLC, the main buyer of telephone equipment from the two concerns. A senior BT official, who did not wish to be identified, said his first reaction was positive because of the scope for creating a more powerful British supplier in the world market.

BT has squeezed its suppliers hard for lower prices over the past year, and Lord Weinstock acknowledged that such pressure helped persuade GEC to seek an alliance with its biggest British rival.

Neither GEC nor Plessey has had much success recently in selling telecommunications equipment abroad. The System X public switching equipment, which both companies produce for BT, has failed to attract significant orders overseas, while such rivals as Telefon AB L.M. Ericsson and ITT Corp. have won orders worldwide.

Plessey suffered a huge disappointment last month when the U.S. Army awarded a \$4.3-billion contract for a battlefield communications system to a group using technology owned by Thomson-CSF of France, bypassing Plessey's more expensive offering.

In the six months ended Sept. 27, Plessey's pretax profit slumped 13 percent to £70.2 million from £80.7 million a year earlier.

GEC seeks to buy Plessey, its rival, for £1.18 billion

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Netherlands	Fl.	550	298	166
Ireland	I.R.	115	62	34
Italy	Lira	276,000	149,040	82,800
Luxembourg	L.F.	9,020	4,870	2,660
Norway	N.Kr.	1,420	765	423
Portugal	Esc.	13,800	7,450	4,090
Spain	Pes.	21,200	11,500	6,300
Sweden	S.Kr.	1,470	795	434
Switzerland	S.F.	432	233	129
Rest of Europe, North Africa, former French Africa, U.S.A., French Polynesia, Middle East	\$	322	174	95
Rest of Africa, Canada, Latin America, Gulf States	\$	442	238	130

Le Monde to Sell Shares to Public For First Time

Reuters

PARIS — The daily newspaper Le Monde has offered the public 30,000 shares, or a 12.28 percent stake, in the paper, which until now was owned and run by founders and employees.

Sale of the shares, at 500 francs (\$62) each and limited to 10 a buyer, signals a radical shift for the paper created in 1944.

The paper said Monday it hoped the sale would raise 15 million francs to help put it back on a sound financial footing. Last year executives announced that the newspaper, prosperous during much of the 1970s, was near collapse, with an accumulated debt of 90 million francs.

Since then, wages have been trimmed 10 percent, the Le Monde building has been sold, and 253 jobs have been eliminated. The rescue effort has erased the debts, senior staff members said.

Editorial staff members, who had owned 40 percent of the shares, will now hold 35 percent and will have veto power over board decisions under French law. The remainder will

INTERNATIONAL Herald Tribune

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America's Angolan Fantasy

A fantasy is overtaking American thinking about Angola. It is that America can go back into the business of supporting Jonas Savimbi's rebel forces in the National Union for the Total Independence of Angola through a door opened by congressional repeal of a 10-year ban on such support, and suffer no untoward consequences. Mr. Savimbi's admirers in the U.S. administration and Congress are acting as though the strategic and ideological rewards of aiding this African "freedom fighter" are there for the picking.

Mr. Savimbi is certainly somebody in Angola, although those who know of his earlier incarnation as a Maoist may wonder about his recent debut as a democrat. As a tribal leader, he has shown military and political staying power. No less than the rival tribal leader who is the country's Marxist president, he can claim to deserve a place in its future.

But that is not the whole of it. Mr. Savimbi is South Africa's man in Angola. He takes Savimbi's support reluctantly and only for his own goals, he insists, but he takes it. That makes any foreign backer an implicit partner of South Africa. To ask Africans to overlook this link, or to explain it to them as a tactical alliance that the United States enters for the purpose of curbing Soviet power, is absurd.

Enthusiasm for a cause that is uncertain the administration embraced led Congress to try to force the administration's hand by offering the Savimbi forces public aid. Now off-

cialists seek to tuck new aid discreetly under the CIA's wing. American diplomats hope Angola will be sobered just to see the aid being discussed, and they have resumed their stalled effort to negotiate Cubans out of Angola and South Africans out of Namibia.

It is necessary to be clear, however, about just who was responsible for the impasse in that negotiating effort. It was considerably more South Africa than Angola. And that is what is so troubling about the idea of new aid for Mr. Savimbi. The country that tended to cooperate with Washington is being "rewarded" with the threat of American support to an internal challenger. The country that defied Washington is being "penalized" by the offer of an implicit American alliance of tremendous strategic and political value. Can this really be called diplomacy?

Mr. Savimbi, as we say, has a claim to a place in the Angolan sun. But his chances of getting it seem to us to diminish if the United States intervenes in the Angolan civil war in his behalf. Large scale aid, enough to replace South Africa's, would have to match a Soviet commitment that has already brought Angola several billion dollars' worth of assistance. Anything less would only hurt the United States politically without helping Mr. Savimbi much militarily. The better way is to try to revive the negotiations that were dragging, but not dead, earlier this year.

—THE WASHINGTON POST.

'Licensing' of Journalists

One of the more insidious ways in which Third World countries have reached out to control the press is by the "licensing" of journalists. Ostensibly done to give journalists the full protection of the law, the practice actually enables governments so minded to control the entry and tenure of journalists in their chosen profession. An effort to extend state licensing, and give it legitimacy has been at the heart of a long-running Third World campaign to reduce the sting of a critical and inquiring press. That a community of the not-so-free press has been created under UNESCO patronage has helped this unfortunate practice to spread.

All this is why partisans of a free press are cheering a recent unanimous decision by the Inter-American Court of Human Rights in a case brought in Costa Rica. It is an advisory opinion, not one that binds even Costa Rica, a democratic and generally benevolent government that has long had on its books a statute requiring local journalists to belong to an official college of journalists. Nonetheless, it is apparently the first time that a forum of this sort has ruled on the issue, and the community of free-press groups is rightly seizing on the court's decision in order to make it the standard to which all governments will be held.

A robust standard it is. "It is not enough to guarantee the right to establish and manage

organs of mass media," the opinion said. "It is also necessary that journalists and in general all those who dedicate themselves professionally to the mass media can work with sufficient protection for the freedom and independence that the occupation requires." The court went on to acknowledge that there is an argument, based on considerations of general welfare, that licensing journalists is a way to guarantee society objective and truthful information. But, it said, with what seems to us an unanswerable logic, that it would be a contradiction to invoke a restriction of freedom of expression as a means of guaranteeing that very freedom.

The global battle of a free press is never finished. In the letter in which it reported the licensing decision, the World Press Freedom Committee summed up the latest push and pull at UNESCO. We also learn that only a few weeks ago the White House dropped a longstanding requirement that foreign correspondents accompany applications for press credentials with a letter from their embassies. The White House had used the requirement as a convenient way of double-checking the bona fides of the correspondents, the committee reported, "apparently without realizing it gave foreign governments a potentially effective veto power over granting of credentials."

—THE WASHINGTON POST.

Other Opinion

West Berliners Grow Restive

For Americans old enough to remember the Berlin airlift and the erection of the wall between the eastern and western sectors of that city, it is shocking to hear that a large minority of West Berliners are saying these days — that they no longer need nor want the protecting presence of troops from the United States, France and Britain. This while they live on an island of affluence and freedom surrounded by the grim and gray reality of Communist rule.

If the day ever comes when a majority of West Berliners truly prefer to take their chances without allied protection despite the presence of 21 Soviet divisions around Berlin, they should be accorded that privilege. But a withdrawal could trigger dangerous instabilities in Europe, and should be avoided.

Fortunately, the situation has not reached a critical stage. With flexibility by America, Britain and France, perhaps it will not.

The restiveness in West Berlin is a reflection of the generation gap. Growing numbers of people on the western side of the wall have grown to adulthood since the days when occupation by Communist forces seemed possible. The major problem, though, is the outmoded legal and political situation. Berlin was occupied by U.S., French, British and Soviet forces at the end of World War II, and it is still technically under military occupation.

In West Berlin, the city council is elected by the people, and it in turn chooses the mayor and the executive authority. But supreme authority still lies with the Kommandatura, made up of the three occupying Western pow-

ers. About 6,000 or so occupation laws remain on the books; until recently a West Berliner could have been imprisoned for "defamation" of the allies. The death penalty can still be imposed in Berlin, although it is forbidden under West German law.

A recent poll showed that 60 percent of West Berliners are unhappy with that state of affairs; about half of them want the "occupation" forces out. But the allies cannot dismantle this legal framework without undercutting the justification for their military presence.

Whatever can be done should be done. Richard Butt, U.S. ambassador to West Germany, is one person determined to remove the occupation laws from the books.

—Los Angeles Times.

France's Vote on Falklands

Prime Minister Margaret Thatcher of Britain is understandably angry with the French for ignoring her appeal not to oppose Britain at this year's United Nations vote on the Falklands. France did not even adopt a neutral position: Rather than join the 41 nations which abstained on the motion calling on Britain and Argentina to "initiate" negotiations, she became one of the 107 countries which voted for the Argentine text.

What Mrs. Thatcher will doubtless bring to President François Mitterrand's attention is the principle governing Britain's dealings with the Falkland Islands: the principle of self-determination. This simple prerequisite of freedom makes a mockery of the UN vote.

—Sunday Telegraph (London).

FROM OUR DEC. 4 PAGES, 75 AND 50 YEARS AGO

1910: Can New York Buy a Subway?

NEW YORK — Declaring that the city is unable to raise enough money to construct the projected \$100,000,000 thoroughfare system of subways, Mayor William Gaynor recently caused consternation among supporters of that plan. The Board of Estimate followed with statements so opposed to the Mayor's sentiments that persons familiar with the situation declared the bomb which has long been lying at City Hall would burst before the eyes of the public. The Mayor stated: "All of the city's credit cannot be devoted to subways. In the years following we shall not have the extraordinary increase in assessed values of this year, but only the ordinary increase, affording a borrowing capacity which, after being diminished by the needs of government, will leave only a small sum for subway construction."

1935: Law to Protect 'German Blood'

BERLIN — Wilhelm Frick, Minister of the Interior, itemized the rules [on Dec. 3] of a prohibition of mixed marriages. A couple applying for publishing of banns in order to prove their extraction must produce the marriage certificates of their parents, besides their own. A doctor's certificate that the couple is fit for marriage will be made compulsory later. Until then the registry official is authorized to demand such a certificate if he apprehends that the offspring of the couple concerned would be pernicious to German blood. Meanwhile, in the first trial based on the Nuremberg law "to protect German blood and honor," Martin Weber, 39-year-old German, was sentenced to one-and-a-half-year's penal servitude. The charge against him was that he had not severed his relations with a Jewish woman.

Work in Space Can Make the Desert Bloom

By Farouk El-Baz

This is the second of two articles.

LEXINGTON, Massachusetts — What should be done about African famine? The answer is not "aid projects" that result in setting nomads around overcrowded towns, as has happened in the Sahel. Take the people out of their element and they will be unable to fully use their skills. Force them to settle in a place other than that of their own choice, and they will sit waiting for you to solve their problems. Grain will only feed the people today. We must also illuminate a way for them to feed themselves tomorrow.

It is our duty to humanity to use our abilities to lessen the impact of devastating droughts in the future. We have learned how to deal with most natural disasters in this country. We should also learn and teach others how to do the same in the hostile, arid desert environment.

First, we should learn that the desert is not the enemy. No matter how harsh, it contains the seeds of survival of its people. Rain in the geologic past left behind vast areas of arable land that may be hidden by sheets of sand. Some of that water seeped through the rock to be stored in giant underground aquifers. Today we have the means for locating such hidden resources.

NASA's space shuttle is a very useful tool in this regard. In November 1981 a shuttle-borne radar instrument traversed the terrain beneath the sands in the southern reaches of the western desert of Egypt. In an area that is now bone-dry without a single blade of grass, the radar revealed ancient river courses as wide as the Nile Valley. Nearby a region was selected to drill for water. Eight wells were dug and all brought fresh water from depths between 25 and 250 feet (7.6 and 76 meters). Today there is an experimental farm that may be the nucleus for a vast agricultural settlement in this parched land.

More recently, in October 1984, the large-format camera developed for NASA by Itek Optical Systems, of which I am vice president for science and technology, obtained high-resolution photographs of Ethiopia, Somalia and Sudan. The photographs clearly showed the migration of people from Ethiopia into Somalia and their refugee camps. They showed the best routes to reach the camps, something that was most difficult to ascertain during the early stages of refugee aid in Ethiopia. And they showed the areas with potential ground-water resources. This kind of information may make a difference in the long-term resolution of drought in Africa.

For this reason, a recommendation was recently made to NASA to refly the large-format camera on a shuttle mission later this year. This "flight for famine" would be devoted to the acquisition of high-resolution photographs of the drought-stricken areas of Africa.

Second, we should study the ways of desert nomads and try to restate, as much as possible, their age-old practices and desert-born wisdom. Nomads roam the land followed by their meager herds not because they are restless lot. They do so because theirs is the only way of using the

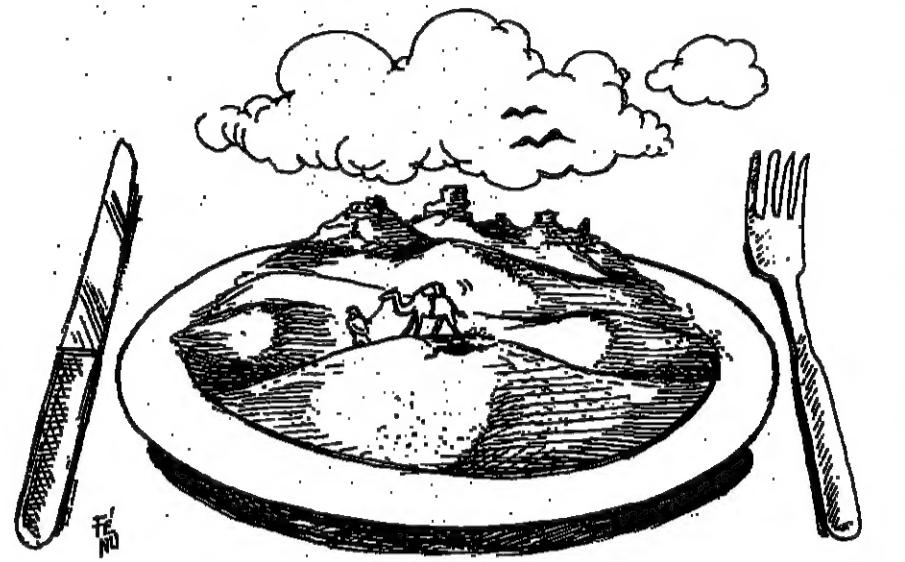
States. In industry, lagging output is unprofitable. In agriculture a failed crop can be fatal. Searching for water and land resources with space-age technology, helping people understand and use the wisdom of nomads and collecting grain for use in lean years is a tall order. I have no illusions about that. However, we must start somewhere if we are to lessen the effect of droughts upon humanity.

There is one more important human lesson to be learned in coping with drought and famine. We must require the harsh but fruitful policy of making the afflicted people work rather than sit and wait. When human beings are sick and without hope, they quietly become resigned to their fate and await death. However, they are rarely in the mood to argue and are easily influenced to assume a more positive attitude.

There is nothing more humiliating and spirit-breaking than being herded into a refugee camp. While in these encampments, these people should at least be made to work: dig for water if there is nothing else to do. To make them work is to give them mental strength, which gradually translates into physical strength. Above all, work re-instills a measure of human dignity.

Living with the desert and its changing moods was done for thousands of years. It can be done again, and we have the opportunity to lead the way. However, if we cannot understand the desert, we should not embark on projects of questionable value and should save our aid funds.

The writer, a Massachusetts geologist, was science adviser to the late President Anwar Sadat of Egypt and is a former director of the Smithsonian Institution's Center for Earth and Planetary Studies. He contributed this to The Washington Post.



Reagan Must Change His Mind Over Aid to Savimbi

By Jonathan Power

NEW YORK — The news that the White House is considering giving secret aid to the rebel group of Jonas Savimbi in Angola is one of the most serious foreign policy departures of the Reagan administration.

Already it is causing consternation among West European allies. If carried through it could be the harbinger of a major race war in South Africa. It comes as unconfirmed reports from Havana speak of Fidel Castro seeking Moscow's permission to launch a full scale onslaught against South African troops occupying Namibia and Southern Angola.

The indications are that the State Department is not happy with the White House initiative, either. But the department, under Alexander Haig and George Shultz, has a poor record concerning the Namibia dispute. The complex maneuvering of the assistant secretary of state for African affairs, Chester Crocker, have led him a long way from his objective of a peaceful settlement in Namibia, a goal he described in an article in Foreign Affairs immediately before his appointment five years ago as "fantastically close."

Just before the Reagan administration took office the United Nations called a peace conference at the request of all the parties to the Namibia

dispute and the five Western nations which together had led the settlement negotiations — the United States, Britain, France, Canada and West Germany. To all intents and purposes, after four years of hard negotiations, all conditions had been met by both sides, namely the South-West Africa People's Organization, the guerrilla movement in Namibia, and

Western ambassadors present all that was required for a final signature was a signal from the incoming Reagan administration that it agreed.

Instead there was a deafening silence and the South Africans knew they could stall. As soon as the Reagan government opened its mouth it laid a new condition on the table, one that even South Africa had never

brought up — that the Cuban forces in Angola must leave.

It has always been an unanswered question why, during those four years of negotiations, the South Africans never made the Cuban presence an issue. Perhaps they felt they were on weak ground because the Cubans never set foot in Angola until the South Africans invaded Angola during its civil war. Or maybe they just assumed that once the Namibians were out the Cubans would go.

But the Reagan administration not only raised the matter: They made it the central issue. The South Africans played on it. While they had always

supported Mr. Savimbi, their defeated candidate in the civil war, Pretoria's support had waned during the Carter years. Now it was stepped up. The stronger Mr. Savimbi became, the less likely it was that the Angolans could agree to compromise on the Cuban presence. It became a question of principle.

Indeed, lately, the Cuban forces have grown and, according to the recent issue of Military Balance, published by the International Institute for Strategic Studies, "Angola is in the process of substantially improving her air defense systems with Soviet and Cuban assistance."

Nevertheless, at one point, three years ago, some outside observers sympathetic to the Namibian cause, including myself, began arguing that Angola must back down. It was a question of realpolitik. Mr. Reagan was not going to be convinced and, besides, the window of opportunity with South Africa had closed.

For South Africa was now confronting so much internal turbulence that Pretoria needed to concentrate on concessions at home, and not appear weak-kneed over Namibia.

The case for learning on Angola to compromise could still be made as long as help to Mr. Savimbi was kept within bounds. But no longer. If Mr. Reagan acts on his proposal to aid Mr. Savimbi, the worst case fears of Pretoria will be realized and it will demand more help from the Cubans. All hopes of compromise will be lost.

The Cubans appear to be saying to Luanda and Moscow that if the situation is going to deteriorate in Angola, Namibia and South Africa itself, why not lance the boil and send in the troops to confront the South African army for a do-or-die battle? Would the United States really dare to go to the aid of white South Africa, and wouldn't a Cuban onslaught on South African troops trigger off a massive black uprising inside South Africa itself, precipitating a final black-white denouement?

Mr. Reagan is playing with fire. There is still time to reflect. It appears that the CIA has not yet been given its formal marching orders. For the sake of avoiding an all-out war in South Africa, Mr. Reagan must change his mind.

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Manila Theory Nosedives

Like an airplane that runs out of gas a few miles short of the airport, Stanley Karnov's "Would the Fall of Marcos Makes Much Difference?" (Nov. 21) floats along pretty well before running out of gas and making the reader regret the exercise.

His engines begin to flutter when he describes the population of the Philippines as being motivated by narrow allegiance to family and friends, as if their allegiance to their country counts for nothing. Filipinos are, if anything, more actively patriotic than any other Southeast Asian people. Even in the darkest years of Mr. Marcos's rule, they have never forgotten the distinction between their country and their government.

The warning lights come on when Mr. Karnov's flight of fancy changes to a description of the opposition to Mr. Marcos as being nothing but a group of "outs" who want "in."

Businessmen and women in Manila have every right to be concerned and distressed with the state of their

Reticence About Malta Unfounded

By David S. Broder

WASHINGTON — The headlines on the front-page stories Sunday indicated surprise. But the surprise is not that there were three American military officers accompanying Egyptian forces in the hostage rescue effort on Malta, but that the Reagan administration found it necessary to conceal their presence.

The reticence may have been occasioned by the seeming need of President Hosni Mubarak of Egypt to demonstrate his independence from the United States. But it suggests something sneaky and improper about an effort for which America should not be apologetic.

Gradually, Americans are coming to understand that terrorism is the characteristic form of warfare of this age, and that the choice of strategies to counter it is no different from what it was when Hitler was the threat: alliance or appeasement.

This threat has a different face to it. Its weapons are not Panzer divisions and Stuka dive-bombers, but handguns and grenades. It is the form of warfare that those who are weak in conventional arms employ against powers which are stronger.

It relies on stealth but also on intimidation, and that was part of Hitler's arsenal. He managed for too long to stare down the free nations of the West and convince them that they might buy peace for themselves by ignoring his attacks on others.

Eventually, even the United States, which had an ocean's protection from his assaults, came to see there was no way to avoid the confrontation. But the last time cost countless lives. And so it is with terrorism.

A nation that sits back and hopes that its citizens will not be targets of terrorism makes it ever more likely that they will be targeted. A nation that demonstrates its readiness — indeed, its eagerness — to make terrorists pay for their crimes will offer its citizens the only real protection they can have in such an age.

It would have been commendable and preferable for the Reagan administration to announce at the end of the incident with the hijacked Egyptian airliner that U.S. officers had been on the scene and that the United States was ready to join in the rescue effort with the Delta Force commandos it had flown to Italy.

The administration may have had plausible reasons for not wishing to associate itself with an operation that cost 39 lives. But in fact, President Ronald Reagan and his associates are entitled to credit for steadily moving the United States toward a realistic anti-terrorist policy.

It is tough to say it, but the point must be made: Such a policy requires that the lives of the hostages not be the sole determinant of appropriate retaliatory action.

For the best of reasons, the United States has resisted that premise. America's value system, its Constitution and religious tenets assert the importance of the individual and human life. Compassion is stirred when U.S. countrymen or citizens of other nations become hostages through no fault of their own. Whatever is necessary should be done to save them, and only then should terrorists be brought to justice, this theory holds.

But in most terrorist situations, that time sequence will not work. The terrorists either begin killing — as with the A-19, the Achille Lauro and in this latest incident, the trade hostages' lives for their own freedom and political demands.

That is why we are gradually accepting that retaliatory moves must be swift, even if they inevitably carry risks for the hostages.

Clearly, the United States and other countries have much to learn about mounting such operations. The carnage in Malta is not an example anyone would want to see repeated.

But the idea of consulting cooperation and participation in counter-terrorist strikes, America should publicize and proclaim that it will be policy to lend all possible assistance to any friendly government whose citizens are taken hostage.

That notice, a clear, advance warning to terrorists that if they strike against anyone, America is coming after them, is the best insurance policy against terrorism.

Does such a policy make Americans accomplices in the deaths of innocents? I do not believe so, for I really do think it is the most effective deterrent against terrorist attacks.

Let us not use our compassion for the innocent as an excuse for appeasing terrorism. And let us not conceal or be shy about the fact that U.S. government policy is to go after terrorists, rather than to wait passively for them to strike again.

The Washington Post.

LETTER TO THE EDITOR

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The warning lights come on when Mr. Karnov's flight of fancy changes to a description of the opposition to Mr. Marcos as being nothing but a group of "outs" who want "in."

Businessmen and women in Manila have every right to be concerned and distressed with the state of their

shrinking economy. They see Mr. Marcos's contributions to economic growth in his early years being undermined by the oligarchy of his final years. There is no reason for them to be so sorry maligned.

Air Karnov's nosedive occurs in its final sentence when it raises the canard of the Communist menace and suggests an unpleasant end if they should ever come to power. The communists, if they can even be called that, have as much chance of taking over in the Philippines as Mr. Marcos has of going down in history as an enlightened leader.

JAY HENDERSON,
Hong Kong.

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ARTS / LEISURE

Pain Through Music, by John Cale, the 'Godfather of Rock'



John Cale: "Nobody knows what I'm going to do next."

By Michael Zwerin
International Herald Tribune

PARIS — John Cale, no relative of J.J. Cale and not to be confused with John Cage (except by influence), has been called the godfather of rock. His latest album, released after 21 years in rock, is titled "Artificial Intelligence." He describes his childhood in Wales (his father was a miner, his mother a teacher) as "grand-normal." His history, English and music studies in British schools were all terminated "by request of the warden."

While "plunging headfirst into the mysteries of the viola," Cale wrote an "aberrant symphony" and "established a correspondence with the avant-garde Fluxus movement" in Wiesbaden, West Germany. The composer Aaron Copland recommended him for a Leonard Bernstein scholarship at the Berkshire Music Center in Tanglewood, Massachusetts. He studied there for a summer and then drifted to New York, where he became "indigent" and co-founded — in 1964, with Lou Reed — a renegade band sponsored by Andy Warhol and called the Velvet Underground.

Cale's concepts, keyboards and viola were behind the Velvet's groundbreaking, abrasive pre-punk sound, which included electronic and classical music elements. Warhol featured the band as part of his traveling mixed-media show, the Exploding Plastic Inevitable.

Cale said recently, more slumped than seated in the lobby of an inevitably plastic hotel near the Place Clichy: "Lou was very good at making up lyrics on stage — he could give Dylan a run for his money." His voice was next to inaudibly hoarse. "One performance was never the same as another." His four-piece band had just arrived by bus from Vienna. "Sometimes we'd just make up a song and jam on it for an hour." It was 6:30 P.M. and their concert would begin in two hours. "The idea was to put avant-garde ideas on top of commercial material."

He was also nauseated: "Something I ate on the road this morning, Lou's songs weren't babbles, like most rock at the time, they were literate songs." This was not megastar stuff; asked if he ever longed for a No. 1 hit, he replied: "It haunts but it doesn't dog me."

After the summer in Tanglewood, he searched out the composer John Cage. "That was the whole point in my going to America. I'd written to Cage. But when I saw him, he told me that he had passed the baton of contemporary music to La Monte Young. He said he had told him, 'You can carry the flag now.'"

"So I got involved with La Monte. It was a string-quartet situation, basically. He called it the Theatre of Eternal Music. He was always interested in the macro side of sound. We used to play a heavily

amplified interval drone, like a B with an F-sharp. It said, 'Hold for a very long time.' So I held it and listened and concentrated and after a while you hear weird harmonics and all sorts of wild changes going on."

"Some of my music used that. The idea is to reduce it to the lowest possible denominator, to get the biggest orchestral sound possible out of limited means. It's also a good way to express pain through music."

While the "serious" composers Cage and Young, theoretically condemned to starvation in unheated garrets, began to collect subsidies and fellowships, Cale the "pop star" remained a struggling cult figure. After leaving the Velvet Underground in the early 1970s, he became a staff producer ("I was the corporate freak") for Warner Brothers. He returned to London to work with Brian Eno and Bryan Ferry and their progressive group

Rory Music. He produced Patti Smith's first album in New York, where he discovered an exploding punk subculture and formed a band that "just banged it out." Working the downtown club circuit, he found himself looked up to as a father figure by a new generation that considered the Velvet Underground the first punk band.

As punk waned, Cale continued expressing pain singing literate songs of his own. "I couldn't make up my mind to write a song just to sell. If I said, 'Now okay, I'm going to do it,' something would happen that would take it out of that category."

In the United States, the state of his popularity mostly affords only solo performances. He accompanies himself on piano or guitar in what he describes as "more recitals than concerts. The songs run into each other and it's sort of stream of consciousness. Recently I played some bars in Arizona, where it was pointed out to me that the way I run doesn't endear me to club owners."

He can afford a band in Europe, where tradition is more appreciated. His audience is younger in Europe, not so many yuppie nostalgics. In the Netherlands and West Germany, "They go crazy. I mean, they're ravers."

"I have one piece that's totally free improvisation. I never know how it's going to start or go. I don't mind taking a chance on stage. It's a way to stay sane on the road: 'How am I going to make this interesting tonight?' That keeps everybody on their toes. Nobody knows what I'm going to do next."

John Cale: Aarhus, Denmark, Dec. 5; Malmo, Sweden, Dec. 6; Copenhagen, Dec. 7; Stockholm, Dec. 8; Göteborg, Dec. 9; London, Dec. 11.

'Fatal Attraction' Almost Succeeds in Resurrecting Genre Slain by 'Sleuth'

By Sheridan Morley
International Herald Tribune

LONDON — It would not be difficult, in a West End still besieged by the moribund "Mouse-trap" and "The Deadly Business of Murder," to suggest that "Fatal Attraction" (at the Haymarket) could be the best thriller in town. The problem is that the genre seems to have died alongside its victims.

Just as "Beyond the Fringe" effectively killed the stage revue, making the Sloane Rangers at the Duchess look more dead than alive 20 years later, so "Sleuth" made it all but impossible to come up with an intelligent whodunnit. Tony Shaffer's classic was at the same time a parody and a memorial: It

laid to rest forever the body in the library, but by breaking all the rules of the postmodernism, it also proved a treacherous act to follow.

Bernard Slade, writer of "Fatal Attraction," is a Canadian dramatist — largely and usually wrongly dismissed by the British press — who has made an intriguing career out of putting good characters into shaky plots. His "Same Time Next Year" (now back at the Old Vic) and "Special Occasions" were essentially Neil Simon comedies given the rare benefit of real and

touching people. His other Broadway hits were "Tribute" (still unseen in London), the blackest show-business satire since "All About Eve," and "Romantic Comedy," which essentially explained why American audiences were never again to be told any Philadelphia stories. Slade is, in other words, a romantic with a strong sense of a lost theatrical past, and what he is doing in "Fatal Attraction" is not to be gibbly dismissed.

Thriller plots should not be lightly given away, but it seems fair to reveal that we are in a remote Nantucket beach house in the company of a fading film star and a crumbling cop who writes murderous best sellers. There are also one or two other bodies, both dead and alive, not to mention a center-stage whirlpool bath, which has about the most exciting role of the evening.

Beyond that the plot does look at times as though pieced together from the outfits of "Deathtrap," but there is something deeply endearing about Denis Quilley's weary sleuth mattering, "Jesus, how I hate all this crime," as the bodies pile up around him.

There is something equally endearing about Susannah York's social-climber actress ("We were in Spain, staying with the Dalis," she tells Quilley, "What Dalis?" he asks) who has slept her way up to the middle of her profession and is not much more ambitious than Eva Peron. Not for the first time, Slade

has written two extremely attractive, intelligent, touching, middle-aged wrecks, then not knowing quite where to put them. But at a time when the thriller has been reduced to a 30-minute rerun of a Road Dahl short story on television, "Fatal Attraction" is at the very least an attempt to get us back into a world where the bodies in the bath are never less than immaculately dressed for the occasion.

As Royal Variety Shows go (about three and a half hours on average), the one staged last week at the Drury Lane and televised over the weekend was a lap-dance ahead of the rest. Somebody backstage had noticed that the West End was filled with shows derived from or leading to old movie musicals — "42nd Street," "Gigi," "Guys and Dolls" and until recently "Singin' in the Rain" and "Seven Brides for Seven Brothers." It

therefore made sense to build a fast-moving and unusually intelligently structured evening around the history of the movie musical, though, curiously enough, the best and worst musicals in London at the moment were ignored despite the fact that "Les Misérables" and "Mutiny" can also claim honorable Hollywood antecedents.

The stars of the evening were three singers who seem to have refined and matured their acts over the past half-century or so to the point where they should now be on permanent display in some living museum of great musicals: Celeste

THE LONDON STAGE

actively killed the stage revue, making the Sloane Rangers at the Duchess look more dead than alive 20 years later, so "Sleuth" made it all but impossible to come up with an intelligent whodunnit. Tony Shaffer's classic was at the same time a parody and a memorial: It

Color Company Working Miracle With '34th Street'

The Associated Press

NEW YORK — Everyone knows Santa Claus wears a red outfit, but what shade of red? That was no idle question for the people converting the classic 1947 movie "Miracle on 34th Street" from black and white into color.

The answers to such questions were found in archives of Macy's department store and in examinations of color movies of the time. Gene Allen, executive director of the Society of Motion Picture and Television Art Directors, who won an Academy Award as art director of "My Fair Lady," was hired to color the film by computer. The total cost: \$183,000.

"Miracle," which will be broadcast in color in the United States by television this holiday season, is the first feature-length, black-and-white film to be electronically converted to color by Color Systems Technology Inc. of Los Angeles. The company has been experimenting with color conversion of television shows and newsreel footage since 1978.

Ralph Weinger, the company's board chairman, invented the patented process. Its first major exposure came earlier this year, when the revived "Alfred Hitchcock Presents" featured original introductions by Hitchcock from the 1950s series, but now in color. A competitor, Colorization Inc. of Toronto, has colored two movies for cable television using another process and is working on the holiday classic "It's a Wonderful Life," for the 1986 season.

In color conversion, black-and-white film is transferred to videotape and played into special machinery. Color values are electronically assigned to key frames using computer graphics equipment. The rest of the frames are colored based on the key frames.

'Chorus Line' Hit Of Film Festival

The Associated Press

LONDON — The 29th London Film Festival won record attendance — and warm applause for a surprise screening of Sir Richard Attenborough's long-awaited treatment of "A Chorus Line."

"Everyone seemed to be very pleased that was the film," the festival press officer, Caroline Anderson, said of "A Chorus Line," which opens Jan. 10 in London. Organizers said the festival, with 248 screenings, played to 77 per cent capacity over 18 days. It opened with Akira Kurosawa's "Ran."

London Symphony To Perform in Oman

The Associated Press

LONDON — The London Symphony Orchestra is scheduled to leave for Oman on Thursday to give three concerts in what is believed to be the first visit by a major symphony orchestra to the Gulf states, the orchestra management announced Tuesday.

The orchestra is to perform Saturday, Monday and Wednesday at the new Al Bustan Palace Hotel, with John Gough conducting newly commissioned works based on Omani folk music as well as works by Mozart and Beethoven.

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INSIGHTS



In Geneva, Mr. Jackson engaged Mikhail S. Gorbachev, the Soviet leader, in an impromptu discussion on Soviet Jews.

Jesse Jackson Embraces the Nuances

Learning Through Burning' Gives Political Preacher New Sensitivity

By Joseph Lelyveld
New York Times Service

GENEVA — "I simply assumed the responsibility," the Reverend Jesse L. Jackson said in reply to a question from the floor after a speech at a church center here. He was not talking about his remarkable stand-up encounter, in the midst of the first day of a summit conference, with Mikhail S. Gorbachev. He was talking about a visit he paid on the Reverend Jerry Falwell, in some respects his opposite number on the political scene, to make the case that Mr. Falwell's stance on South Africa was un-Christian.

But the phrase stuck as the start of an explanation as to how and why this evangelizing candidate and political preacher — the categories inevitably blur and overlap — manages to propel himself, with increasing frequency, into the foreign policy arena as well as the debate. To those who say he presumes as well as assumes, Jesse Jackson responds that the question of where he gets his authority, his marching orders, is the same one that was hung at biblical prophecies.

He is not without vanity, but he does not seem to intend an immodest analogy. Over lunch at his hotel on the Quai des Bergues, what he seeks and manages to provide are some insights into how his role developed, why he feels it to be legitimate and feels, in addition, that he has earned the right to be taken a lot more seriously than he sometimes is taken.

"You get your learning through your burning," said Mr. Jackson, 44, as he freely acknowledges that there were many "nuances" of diplomacy that passed him by in his early ventures

onto the world stage. He notes especially a trip to the Middle East in 1979 when he allowed himself to be wrapped in an embrace by Yasser Arafat, the leader of the Palestine Liberation Organization.

"Good God Almighty," he remembers reflecting in the course of that trip, "these international waters are treacherous."

Mr. Jackson thought he was being sensitive to the customs of the Levant when he returned Mr. Arafat's embrace. He has learned that a diplomat must be sensitive, first of all, to how his gestures and actions play at home.

It was a sensitivity he thinks he displayed in his encounter with Mr. Gorbachev, the Soviet leader, whom he pressed not once but twice on the matter of human rights for Soviet Jews.

For instance, he considered bringing up the sore point of Soviet involvement in Afghanistan but decided not to do so because he thought Mr. Gorbachev might riposte by mentioning the role of the United States in Central America, a matter on which Mr. Jackson decidedly does not support President Ronald Reagan. He did not feel free, he said, to criticize the president in the midst of a summit conference. And he did not want to provide Mr. Gorbachev an occasion for "that diatribe."

Mentioning Soviet Jews, however, struck him as a moral and political imperative. "I had to look him in the face and say, 'We care about human rights.' That was important to my self-respect and standing as a person. Gorbachev had to know that he did not have some 'disident,' a pro-Gorbachev guy he could ease through the back door. He had to know that he can't leave Reagan and jump to me on the

human rights question. He can't think, 'We can slide by Reagan on this question because the peace movement won't raise it.' No, no, no, no."

That was nuance, and it was not the only one Mr. Jackson had in mind when he confronted the Soviet leader. His trip to Geneva was sponsored by a coalition of American anti-war groups, including Sane and the Nuclear Weapons Freeze Campaign, which had collected more than one million signatures on petitions for a comprehensive agreement on nuclear tests.

Half the petitions were to go to the American side at the summit meeting and half to the Russians. As a courtesy, it was decided that the first request for an encounter with the two leaders should go to the Americans. Instead of Mr. Reagan, the delegation met a deputy assistant secretary of state.

When the Soviet response proved to be warmer, Mr. Jackson knew he had to be careful about tactics, but he was not afraid of being "used." Asked if that wasn't a danger, he laughed and replied, "That's happened ever since I started dating in grammar school."

He was then told that news agency reports said his emphasis on the question of Soviet Jews had been totally deleted from the evening television news in Moscow. He knew all about "selective sound bites," he said, because he faced them all the time when he tried to make a point about foreign policy on the evening news in America.

At home, the breadth of Mr. Jackson's social and political agenda has, if anything, grown since he sought the Democratic nomination for president last year, a goal that he probably will pursue again in 1988, his associates in the United States have said.

Judging the PTTs: Sorry, Wrong Number

Jacques Darmon, Bureaucrat Turned Executive, Leads Fight for Competition

By Joseph Fitchett

International Herald Tribune

PARIS — Not everybody is convinced that for the sake of progress West European governments will give up their PTT monopolies.

"Most people expect the new technology will shatter the PTTs, but I wonder how much power the PTTs will fight to retain," says Jacques Darmon, a French technocrat campaigning to change the monopoly status of European phone systems.

Other experts have even greater doubts. "Politically, it's going to be mind-bogglingly difficult," said a participant at a European telecommunications meeting last month at the Organization for Economic Cooperation and Development.

"The real switch has been that the PTTs now recognize they have far-reaching impact on their countries' economies," said the participant. "Before, they would simply say that the OECD should not even be discussing them and their economic role."

Hints of change are growing in Europe.

In West Germany, Christian Schwarz-Schilling, minister of posts and telecommunications, is said to concede privately that more flexibility is needed. In France, Jacques Dondoux, head of the Direction Générale des Télécommunications, the telecommunications arm of the PTT, reportedly has prepared contingency plans for running a separate state-owned company rather than a public-service agency. "We'd like to get rid of ministerial meddling and use our assets to compete," says a Dondoux aide.

But there is no consensus about how to change a century-old system in Europe. Mr. Dondoux argues for the introduction of market competition. His model is British, which last year turned British Telecom into a private company, with a regulatory agency, OfTel, encouraging competition.

"By giving up their monopoly, governments lose a useful tool," Mr. Darmon says. "But the economy gains tremendously because you get fresh activities and fresh competition."

Mr. Darmon, who is 45, left France's Industry Ministry in 1979 and joined Thomson, the French electronics manufacturer, which was nationalized in 1981. In a book this fall, "Le Grand Débarquement: La Guerre du Téléphone," or "Out of Order: The Telephone,"



Jacques Darmon

War," he set out the views of the main conservative opposition parties, which have pledged to deregulate France's telephone if they win parliamentary elections next March.

THE outcome in France will have repercussions beyond its borders, Mr. Darmon contends. "It will tip the European balance."

Led by Britain, a liberalizing trend toward more competition is gaining adherents in the Netherlands, Ireland, Norway, Finland and, timidly, Switzerland — all small countries that do not have major phone industries dependent on the state monopoly for business.

"If France followed," Mr. Darmon says, "it would put strong competitive pressure on the conservative bloc led by West Germany, which includes Austria and Sweden, with Italy and Spain wavering somewhere in the middle."

His views about the urgency of drastically cutting the role of European governments in telecommunications draw on his experience as a civil servant and as a corporate executive. "When companies, like so many in France, make more money by negotiating subsidies

from government agencies than by selling in the marketplace, those companies end up being run by pseudo-bureaucrats, not competitive managers," Mr. Darmon says.

His view that local suppliers have become a powerful lobby supporting the nationalistic PTTs is confirmed by comments from government officials. "The French PTT is so embedded in our industrial tissue, it would be difficult to remove it from state control," says Jacques Attali, an adviser to France's president.

The PTTs succeeded in getting their monopolies exempted from the free-trade rules of the General Agreement on Tariffs and Trade. "The Geneva-based watchdog on world trade," the EC Commission in Brussels has been pressing to break up the PTTs, but emissaries from Brussels lack the clout to overcome domestic lobbies in the member states," notes an EC official.

POLITICAL support for PTTs is rooted among voters. The Bundespost, for example, is West Germany's biggest employer, with 500,000 employees and nearly that many people on the retirement roll.

If Europe deregulates in a piecemeal fashion, it is liable to miss the "big bang" effect of economic stimulus provided by the break-up of monopolies in big markets such as the United States and Japan, notes Ann Reid, a telecommunications specialist at the Organization for Economic Cooperation and Development. Mr. Darmon adds, "The PTTs will try to keep their monopoly over the carrier network, so we won't be as competitive as the United States."

An obstacle to liberalization, in the view of many advocates, is that European consumers are not organized in effective pressure groups to defend their interests. The best-organized corporate pressure group, the British-based International Telecommunications Users' Group, prefers discreet tactics, unlike the forceful business lobbying that led to U.S. deregulation.

As a result, the institutional voice of the PTTs has prevailed. "The key is with European business, which needs to be more vocal about its needs," Mr. Darmon says.

Asked how Europe's phone-makers are likely to fare if they are thrust into a deregulated, more competitive world, Mr. Darmon says: "If you change the rules, new, more entrepreneurial managers will rise to the top fast."



A group of businessmen in New York participating in a teleconference with their colleagues in Paris.

Next Revolution Centers on the Phone

(Continued from Page 1)

many corporations based in Paris routed transatlantic calls through their London offices to take advantage of Britain's cheaper rates. In Belgium it still costs nearly twice as much to call the United States directly from Brussels as it does to place the call via London.

Another kind of problem is political interference with the governmental PTTs. This year, the French government is diverting 15.6 billion francs (about \$2 billion) of telephone earnings to other sectors.

"It's a new wave of investments at all levels is needed to develop modern, low-cost and effective communication services in Europe," notes the Round Table of European Industrialists.

Western Europe's PTTs do not lack technological strengths, but the technology tends to be yesterday's or even today's, but not tomorrow's. In October, for example, the French PTT was acclaimed after it changed the country's phone numbers overnight to an eight-digit system that doubled capacity.

In the days leading up to the switch, Denis Frayse, a PTT engineer, sat in a toastroom-shaped concrete tower in the Bois de Boulogne in Paris, watching a bank of computer screens that showed technical maps of the main telephone regions in France.

With his diagnostic computers, Mr. Frayse was checking for possible glitches in the operation, which cost \$600 million and took five years' preparatory work. PTT technicians rewired circuits in the nation's 70,000 old electromechanical exchanges and programmed computer software in 70,000 new electronic phone exchanges.

On the day of the big switchover, Mr. Frayse, using his computer keyboard, probed the nation's phone network, verifying new numbers and monitoring the electronic signals that are the pulse of modern digital-dialing systems. Region by region, the computer display maps turned from red to green, signaling all clear.

Late on Oct. 25, a Friday night when phone traffic was light, the system switched at the push of a button. By Saturday lunchtime, the biggest change of its kind was nothing more than a footnote in technical history.

The feat typified the technological accomplishments of PTTs in the century since the phone was invented by Alexander Graham Bell in the United States in 1876. Still, Mr. Frayse was the first to acknowledge that "the operation could have been done faster, if necessary, by a private company operating under commercial pressures."

The potential of Western Europe's private and state-owned telecommunications companies is directly linked to PTTs, which have traditionally directed these companies' design and commercial policies.

Helping them to export, particularly to developing countries including many former colonies in Africa and Asia, the PTTs have enabled Europe to gain a 25-percent share of world trade in phone equipment. In contrast to Europe's trade deficit in most high-technology equipment, the European Community recorded a \$2-billion surplus in telecommunications equipment last year.

Thanks to PTTs, Europe is also much better served than the United States or Japan in videotex, a system of providing information services to homes and offices on a television screen through the telephone.

The first version of videotex, Presel, was launched in Britain in 1977, enabling sub-

scribers to shop from home or read the latest headlines at any hour. These are both convenient services in a country that lacks Sunday shopping and around-the-clock television.

Even more successful is France's Minitel, a small screen and keyboard that attaches to a telephone. The PTT has installed 1.2 million of these machines free and expects to supply nearly 2 million more by the end of next year.

Minitel, which offers 2,600 services ranging from computer dating to airline bookings to access to statistics in data banks, is close to generating enough traffic to pay for the free distribution. "It has been quite a successful operation, if I judge by my family's phone bills," says the Paris-based Mr. Cassini of IBM.

The company's West German subsidiary set up the Bundespost's equivalent, which is known as Bildschirmtext.

The trouble is that the taste of new technologies has created the appetite for more technology, much more than any conservative PTT is likely to supply.

"Only competition can enable countries to cope with the challenges and opportunities of rapid technological change in modern telecommunications," says Henry Ergas, a top planner with the OECD, which groups the leading non-Communist industrial nations.

Competition is slight throughout Western Europe since there are few opportunities for small private enterprises; most countries get their phone equipment from one or two domestic suppliers.

"We don't get many proposals for new telecom products and we don't consider the ones we do get because we would have to buck the PTT," explains a leading venture capitalist in Paris. He asked not to be identified.

Businessmen are pressing for change. Some multinational corporations now have private phone systems, using microwave relays, that are larger than all the combined public networks in the 1960s. An uncompetitive phone industry, everyone agrees, handicaps the whole business community.

In addition to seeking cheaper phone services, many businesses want to sell new telecommunications products. Nixdorf, West Germany's fastest growing computer company, had to wait seven years for Bundespost authorization to market an electronic corporate switchboard, called a private branch exchange, or PBX. Heinz Nixdorf, the company's founder and president, has publicly accused the Bundespost of "harming the interests of German industry."

Industrial firms want lines linking the computer consoles in their showrooms to their factories and head offices. Equipment to do this is slowly becoming available in Europe but is already installed in Japan and the United States, where there are no PTTs to impede its use.

The potential impact of the new technology is illustrated by the replacement of copper wires with fiber optics. These hair-fine glass tubes carry messages as laser flashes, a technology that multiplies the line's capacity a thousand times. A fiber-optic cable being laid now will double the capacity of existing trans-Atlantic cables.

With extra capacity, more computers and advanced software, telephones are becoming digital — carrying conversations by breaking up speech into millions of instantaneous bits that are reconstituted at the receiving end. Previously, speech was carried along wires by electric waves that replicated the sounds of the voice.

Using digitalization, computers, which operate on the same principle of pulses, can mix their

data with human conversations on a single phone line.

This development has prompted industrial nations to start planning a universal phone system capable of carrying, at the same time, conversations and data files, facsimile transmissions and possibly television.

Such a system, known as the Integrated Services Digital Network, or ISDN, is "the key to the information society," says Michel Carpentier, who is based in Brussels as head of the European Community Commission's Task Force on Information Technologies.

This system would make possible the long-heralded "office of the future," in which every desk has a console combining phone and computer keyboard and screen. Equipped with an array of accessories, this console would let people communicate around the globe, looking at the same documents and working on them together almost as easily as if they were in the same room.

Japan has started work on this system but Europeans are still discussing it. Mr. Carpentier's task force has launched a program, RACE for Research and Development in Advanced Communication Technology for Europe.

To build a high-speed network, European countries have to adopt uniform technologies to supplant the different national systems developed by the PTTs. Resistance is strong.

"Eventually, they will have to cooperate," Mr. Carpentier contends, "because the high-speed digital network will overwhelm any interface." He was referring to the software systems that allow international calls to shift from one nation's technology to another's.

While seeking a common standard for "the office of the future," European governments have agreed to freeze technological decisions. At the heart of the quarrel is European electronics companies' desire to impose their own computer-to-computer language, called Open Systems Interconnect, to help protect them against IBM, whose computer language is called Standard Network Architecture.

Meanwhile, Europe is losing momentum in laying fiber-optic cable because, as one of Mr. Carpentier's aides says, "European nations can't afford such big investments right now." As a result, Europe probably will develop in 10 years' time what engineers call a "small ISDN" capable of handling conversations and computer data, but not television transmission, on the same wire.

A more pressing issue for Europe's telephone companies is the equipment purchasing policies of PTTs. They now buy an average of only 2 percent of their equipment from suppliers outside their borders.

As a result, "There are nine companies investing in new digital switches, with a very heavy research and development cost, while there is only room on the market for four at most," says Dr. Wisse Dekker, head of Philips, the Dutch electronics manufacturer that is the largest in Europe.

If the PTTs open up to competitive bidding, it will be a risky transition for Europe.

"Europe has at least three world-class firms: Siemens in West Germany, Philips in the Netherlands and Alcatel-Thomson in France," says an IBM executive who declined to be named. "But they will have to become more international and learn to live without cozy reliance on their PTTs."

(Next: Europe caught between IBM and AT&T)

Montazeri, Iran's Heir Apparent: An Earthy Contrast to Khomeini

By Elaine Sciolino
New York Times Service

UNITED NATIONS, New York — His face is featured on huge posters at airports, shops and offices throughout Iran. The posters are equal in size to those of Iran's leader, Ayatollah Ruhollah Khomeini, who calls him "the fruit of my life."

But Ayatollah Hussein Ali Montazeri, 63, who was named last month to succeed Ayatollah Khomeini after his death, hardly resembles his spiritual mentor.

Long considered the heir apparent, the stocky, grizzled cleric is known for his down-to-earth language and candor. Those traits are in sharp contrast with the stern demeanor and convoluted pronouncements of Ayatollah Khomeini, who is 85.

Although Iranian press organizations refer to Ayatollah Montazeri as a "grand ayatollah," he lacks the lofty religious credentials of Ayatollah Khomeini and the handful of other leading clerics who hold that honorary title. Unlike them, he cannot trace his ancestry back to Mohammed. He is not noted for great intelligence, and his squeaky voice is often ridiculed.

Unlike Ayatollah Khomeini, who has a rigid approach, Ayatollah Montazeri has curbed his early radicalism to garner support among key interest groups in Iran.

At the same time he has kept the support of radical elements, mainly because of his unswerving commitment to spreading the message of Iran's Islamic revolution to other Moslem nations.

The son of a poor peasant family from the agricultural town of Najafabad, in central Iran near Isfahan, Ayatollah Montazeri spent his childhood working on the family farm.

At 11, he went to school in the holy city of Qum and later to Isfahan. He studied with Ayatollah Khomeini in Qum and later taught philosophy there.

LIKE many other Iranian clerics, Ayatollah Montazeri became an enemy of Shah Mohammed Reza Pahlavi and was imprisoned and tortured at times for his political activities. He made secret trips to Iraq, where Ayatollah Khomeini was in exile, and became his personal representative in Iran.

Early in the revolution, Ayatollah Montazeri gained a reputation as a hard-liner for his strong support for the summary justice of the revolutionary courts and his deep involvement in drafting Iran's far-reaching land redistribution bill. But his weekly sermons as the Friday prayer leader in Tehran were disruptive, and he was removed from the highly visible post.

In recent years, he has worked to defuse new land-redistribution proposals and has strengthened his links to the politically important bazaar merchants by quoting verses from the Koran on the sanctity of private property.

Ayatollah Montazeri lives in a heavily guarded house in a sealed compound in the center of Qum, where he teaches Islamic law and receives delegations of visiting dignitaries.

He says little on matters of foreign policy and has been ridiculed by opponents of the regime for his simplistic view of the West. But although he defended the taking of the American hostages by Islamic militants in 1979, he told an



Ayatollah Hussein Ali Montazeri

interviewer that it was "impractical to sever relations between us and the United States."

He occasionally has shown an independent interpretation of events. When several Iranian leaders described Iraq's bombing of an Iranian border town early this year as "a new crime of American imperialism," Ayatollah Montazeri saw the event differently. He said the missiles were made in the Soviet Union.

show that law is intellectually and socially rewarding.

THE decline hits harder at smaller and less prestigious schools and on those in less populated areas of the Midwest.

Because only about 70 percent of applicants are accepted into law schools, no institution has had to close its doors or resort to open enrollment, in which every applicant is admitted.

The Law School Forum was instituted to ward off such catastrophes, after educators became alarmed by the dwindling number of applicants. "The thought was that by placing information in the hands of undergraduate students, we could attract more applicants," Mr. Richard said.

About 100 law schools dispensed brochures, applications and advice during the 1985 forum to about 3,000 prospective lawyers in New York City, 1,600 in Chicago, 2,000 in Boston and 1,500 in Los Angeles.

With about 40,000 slots available, Mr. Richard said, a peak of 72,911 students applied to law schools approved by the bar association in 1982. But applications fell to 71,755 in 1983, 64,100 in 1984 and 60,132 this fall.

For U.S. Law Schools, the Pickings Get Slimmer

By Myrna Oliver
Los Angeles Times Service

LOS ANGELES — Carefully surveying the prospective law students as they wandered from table to table, the recruiter for the Villanova University School of Law left nothing to chance.

Beside her stack of Chamber of Commerce maps of Philadelphia and order forms for law school catalogs, she set up a small basketball goal with a ball securely in the net. Villanova, best any prospective lawyer forget, is the 1985 National Collegiate Athletic Association basketball champion.

Such gimmicks became commonplace this fall as recruiters for about 100 law schools hopped-scotched the country with the Law School Forum to shore up enrollments of quality students.

Over the last two or three years, applications to the 175 law schools approved by the American Bar Association have declined nearly 20 percent, said S. Paul Richard, deputy executive director of the Law School Admission Council. His group sponsors the forum, which just wound up its second year.

Recruiters, law school officials and students interviewed in Los Angeles gave a number of possible reasons.

• The last of the postwar babies are already in law school and other graduate programs, and the number of 22-year-olds is declining.

• The large influx of women and members of minority groups that spurred the profession's growth in recent years has stabilized.

• When the economy is healthy, many students opt for high-paying jobs after college instead of law or graduate school.

• The widely held perception that the country has too many lawyers has discouraged students afraid of not finding a job.

Finally, many suggest reluctantly, the luster has worn off law as a career.

"We started our great growth in the late '60s," said Leigh H. Taylor, dean of Southwestern University School of Law in Los Angeles, "when law was seen as a way of changing social positions, and we had another surge with Watergate. But right now there is nothing to make a lawyer look glamorous, good or noble or to

ADVERTISING SECTION

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The Gulf's Fastest Growing Commercial and Leisure Center

SHARJAH

A look at some of the latest developments which have brought renewed confidence to one of the smaller members of the United Arab Emirates.

Sharjah: Emirate in a Growth Pattern

Come to Sharjah and you'll be greeted everywhere by the large-point exhortation to "Smile! You're in Sharjah." And there is plenty to smile about in Sharjah these days.

Look around. From the humble municipal gardener planting saplings in the attractive road-center gardens to the businessmen chasing capital-intensive oil-based projects, you'll find intensive activity in civil works and in commercial and industrial programs.

Confidence is founded — and rightly so — on the Saja gas field, which provides an income from royalties and petroleum tax of around 1.5 billion dirhams a year. This income will increase in 1986 when a pipeline project for carrying the gas from the Saja field to industrial installations in Dubai's Jebel Ali port and industrial free-trade zone is completed.

The 75-kilometer pipeline is being built by a Greek contractor and at least 70 million cubic feet a day of gas are expected to be used in Jebel Ali, generating an income of around \$25 million a year to the emirate.

In November 1978, the Amoco Sharjah Oil Co., a subsidiary of the Standard Oil Company of Indiana, was awarded a concession for a period of 35 years covering 600,000 acres onshore in Sharjah. Late in 1980 Amoco discovered a gas condensate reservoir of commercial proportions in what is now known as the Saja field.

In 1984, seven additional producing wells were completed in the field and that brought the total number of production wells connected to the Saja separation plant to 16, including 15 Saja wells and one in the nearby Moveyid field.

Another source of revenue in 1986 will be a liquefied petroleum gas plant at Hamriya. The plant, expected to come into production in June, will have an annual capacity of 400,000 tons of butane and propane. The plant will take around 80 million cubic feet of Saja gas a day, worth about \$50 million a year to the emirate.

The plant is being established by the Sharjah Liquefied Gas Company (Shalco), which is owned 60 percent by the Sharjah government, 25 percent by Amoco and 7.5 percent by the Japanese JGC Corporation and Tokyo Bock.

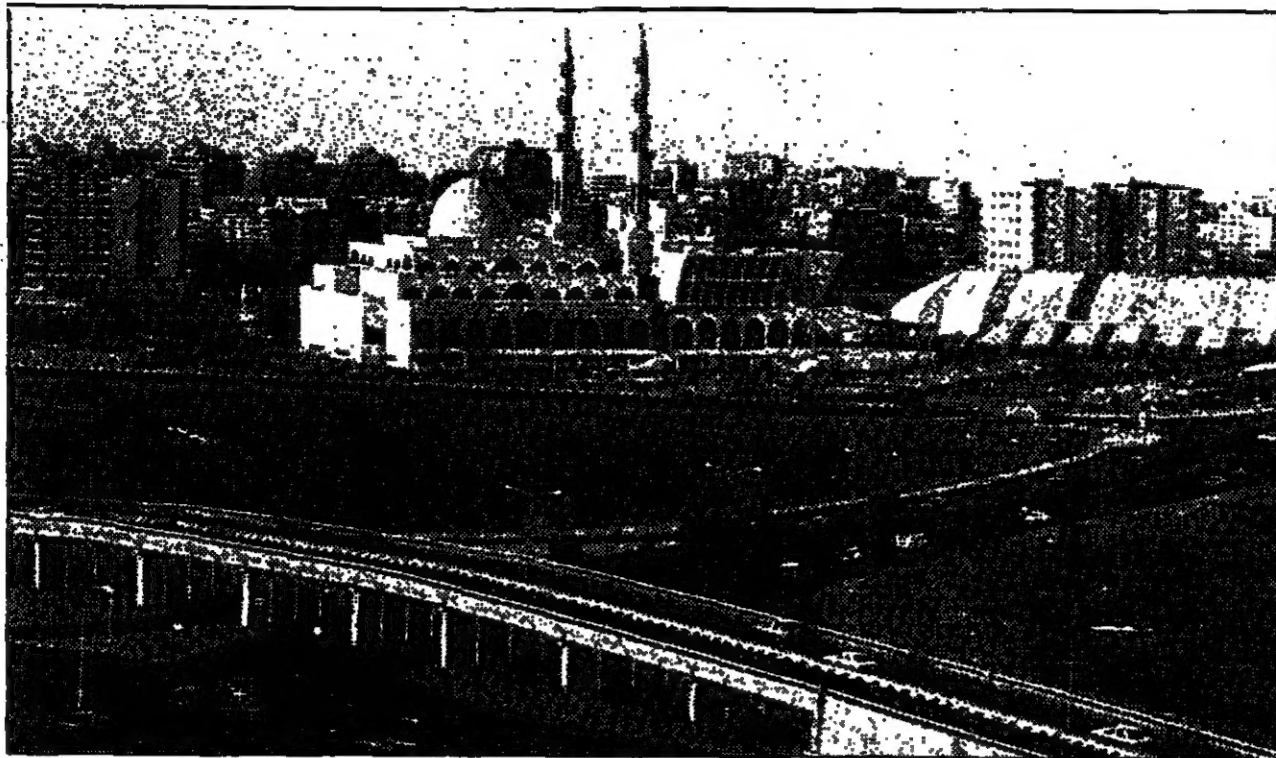
At present, only the Emirates General Petroleum Corporation (EGPC) is using Saja's gas — about 80 million cubic feet daily for distribution to power and industrial plants in the northern emirates. It is expected to increase liftings once the distribution network is expanded.

Sharjah is negotiating agreements for two petrochemical projects — a 1,000 ton per day ammonia/urea plant and a 500,000 ton per year methanol complex, both using Saja gas as feedstock.

The government will have majority shares in both projects but foreign partners will be invited to share financing and marketing. Saudi, British, American and French interests are involved in the negotiations.

Saja feedstock could also go to the Abu Dhabi Gas Industries (Gasco) natural-gas liquids plant at Ruwais. The latter has an annual capacity of propane, butane and pentane but has rarely run at more than 50 percent of capacity because of a shortage of feedstock.

The Sharjah government is also studying an Indian proposal to set up a sponge iron plant to run on natural gas. A feasibility report



View of the King Faisal Mosque in the heart of Sharjah. Muslims gather to pray and learn about Islam here.

has been submitted. The proposed plant will have an annual capacity of one million tons a year.

The discovery of the Saja field has clearly brightened Sharjah's economic prospects.

There are currently 142 factories in Sharjah. The municipality issued 1,197 commercial, professional and industrial licenses last year. The department also issued 841 licenses for building construction — 245 for Arab houses, 337 for villas, 40 for multi-storied buildings and 119 for industrial establishments.

The Sharjah Chamber of Commerce and Industry had 15,705 members at latest count. Last year, 1,999 new members were registered.

Several large public-works projects are under way, some financed by the federal government and some by the Sharjah government. The federal budget for investment in the emirate last year was 158.3 million dirhams but only 103.6 million were used.

Among the projects were schools, mosques, hospitals, houses and roads including flyovers and underpasses. At Dibba Al Hiss on the east coast, a fishing port is being built which will provide additional income for the area's rural inhabitants. Other fishing harbors will be created at Al Haira and on Sir Abu Nuair island about 120 kilometers east of Sharjah city.

Extensive landscaping in urban areas is under way and several public parks are under construction.

A new feature of the Sharjah scene is a 5 million dirham fountain in the Khalid lagoon. This spout, which shoots up to 100 meters, has earned a place in the Guinness Book of Records as the world's highest fountain.

The Sharjah souk is already famous for its architectural splendor and it will soon be joined by a smaller shopping area near the waterfront. This is expected to be completed in early 1986.

Sharjah covers an area of approximately 2,600 square kilometers and the population has been estimated at over 170,000. Approximately 30 percent are nationals with the rest coming mainly from other Arab states and the Indian subcontinent.

Agriculture and horticulture are being developed but there are irrigation problems. Experts have pointed out that underground reserves of water are being depleted by the rapid extension of irrigated areas and that conservation must be given priority.

The best farming projects may be seen at Dhaid, where several enterprising United Arab Emirates nationals, cooperating with European and other expert institutions, have covered large areas with air-conditioned, moisture-controlled and soil-enriched greenhouses. These private-sector "farms" now supply the local markets with tomatoes, cucumbers, lettuce, melons and other produce as well as such flowers as chrysanthemums.

Egg farming has spread over the years and there are ready markets in Sharjah City, Dubai, Abu Dhabi and other fresh-egg centers.

Despite the harsh climate and the huge expenditure of capital required, farming does exist. Date palms — a traditional Arab agricultural crop — are becoming more common in regions which were once just desert scrub. Here again, the Dhaid area has the best development plans, as row after row of palms stand there in various stages of growth.

There are also okra beds and animals. Chickens, turkeys, deer, cattle, sheep, camels and horses are all to be found not only in Sharjah but throughout the United Arab Emirates.

British agriculturalist John Thomelou believes that by producing about 26 percent of its food requirements, the United Arab Emirates is now well on its way to self-sufficiency.

Expo Center Attracts Global Traders

Long before Sharjah emerged as the tourist leader in the United Arab Emirates, its greatest attraction was its colorful World Trade & Expo Center, recently described by an international trade journal as "the comprehensive shop-window of the Arab world."

The Expo Center has staged an average of seven national and international exhibitions annually, each attracting more than 150,000 visitors over a period of about ten days — certainly the highest exhibition attendance in the Arab world.

A few years ago, Emirates News, the English-language daily newspaper based in Abu Dhabi, warned a nearby exhibition competitor that its annual fair, stocked with products at

tential exhibitors must carefully weigh the marketing impact of competing exhibition centers and, more importantly, the cost of booking space.

Fame brings its rewards. On December 26, 1984, Expo Center Sharjah was the site of the first Arab States' Fair sponsored by the various chambers of commerce and industry in the Gulf and other Middle Eastern countries.

In competition with at least five regional rivals and numerous hotels for the prestigious contract, Sharjah's Center was the unanimous choice of the organizers.

The same sponsors decided to follow the December show with a large week-long Arab nations' trade and industry ex-



Sharjah Expo Center President Frederick Pittera, left, with Turkish President Kevin Evren, right.

hibition in January. It was called an "outstanding success." Best known of the Expo Center fairs is the annual International Expo event. At last year's show — the eighth — exhibitors came from more than 40 countries, with Austria booking most space. It displayed a galaxy of widely diversified products, everything from jewelry to heavy machinery.

That just about sums up the Gulf exhibition situation today. The biggest problem of competitors new to the region is the fame of the long-established Expo Center. Especially during times of general recession, po-

(Continued on next page)

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(Continued from previous page)
ery. International Expo '85, which comes to a close December 8, features exhibitors from more than 50 countries.

Much has been written in the press and in the trade journals of the advantages of general (horizontal) and specialized (vertical) exhibitions. From the beginning, Sharjah's Center has been a proponent of the general fair. Business opinion—in the Arab world at least—has come down firmly on the side of the general, or multi-pavilion, type of show that has earned Sharjah its reputation as the pivot of the Gulf exhibition world.

Frederick P. Pittera, the president and managing director of

the Expo Center, and its founder, has always been a "general exhibition man."

"The horizontal fair is the only type of event compatible with the needs and ethos of the Arabian trading region," Pittera said in a recent interview. "We must always consider that the Arab traditional trade springs from the country-fair style of the oriental marketplace. After all, the Arabs were among the first in history to organize fairs at the crossroads of the great caravan routes. This trading pattern has survived despite attempts at westernization. The Arab merchant today is a multi-specialist. No where in the world is trade

diversification so ardently followed as in the Arab world."

"Thus, the chances of attracting the trade to the vertical or specialized fair are slim," Pittera said. "In this region, general fairs—national, regional or international—fit the Arab pattern and, at Expo Center, we long ago reached the stage when we could guarantee all-around success at any general exhibition. In traditional style, our fairs are flowing, moving events. They are not hampered down to meet one-product specialists, who are as rare hereabouts as the proverbial needle in the haystack. We have always exposed the Expo Center to the cultural identity

of the people it serves. It has paid big dividends worldwide."

Adherence to tradition has thus far outweighed the competition of the vertical exhibitions. Cost, too, has played a major role, especially during recent recessionary times—cost and impact and the facilities offered.

Pittera says the success of the Expo Center has been achieved by the one-price comprehensive services provided for exhibitors arriving from halfway countries. Furthermore, he adds, the great complex of pavilions available for any event has been the magnet to attract success.

One-price operations banish the specter of subcontractors

and extra cost, explains Pittera. "That's the Sharjah distinction that makes us unique in the whole of the Middle East. We have all the exhibition equipment, materials, theatrical props and expert personnel in-house. This means we can pass on big savings to participants in our shows."

Other centers have to subcontract, thus building up costs. This gives the Expo Center a decided advantage in attracting clients worldwide. Another asset is the availability of space for mammoth spectacles, which can call on the largest warehouse of exhibition equipment in the Middle East.

The Center's gaily colored pavilions have long been a landmark in Sharjah. There are more than seven of them; the largest has a stand area of 2,267.67 square meters. In addition, its Super Dome can accommodate a seated audience of 6,500 persons for major cultural and entertainment attractions.

A vast outside space and a large theater are available for staging circuses or shows with casts of hundreds. For the children there is Expo Center Fun-land and, for all visitors or exhibitors, a wide variety of restaurants and snack bars.

In the future—the date has yet to be fixed—the Expo Center will be moving to a new and larger site in Sharjah. There the available space will be from 15,000 to 17,000 square meters with more than 20,000 square meters available outside the pavilions and theater. The infrastructure has yet to be prepared and so, for the present, the Expo Center remains a well-known location close to the busy business heart of Sharjah.

The policy of the Center, whose chairman is tourist chief Sheikh Ahmed bin Mohammed al Qasbi, is to encourage people to operate a successful market in the region, to set up agencies, to sign up for joint ventures and to expand business nationally and internationally.

In the Islamic world, the Center is the only exhibition site to have its own mosque—a thoughtful innovation that has brought much praise from exhibitors and visitors alike.

In 1986, new space rates will be offered which, according to Pittera, will make Sharjah's Expo Center the most effective exhibition center in the whole of the Middle East.

Much of the success of the Expo Center has been due to the support it has received from the Ruler of Sharjah, Sheikh Sultan bin Mohammed al Qasbi, a member of the United Arab Emirates Supreme Council. The Qasbi connection has helped the Center to attract widespread participation from exhibitors in the Arab world and beyond. The chairman, Sheikh Ahmed, was named by the Ruler as the head of the Department of Information, Culture and Tourism.

There has also been active and cooperative support from the Sharjah Chamber of Commerce and Industry and from national business organizations.

Firmer Base for Mini "Wall Street"

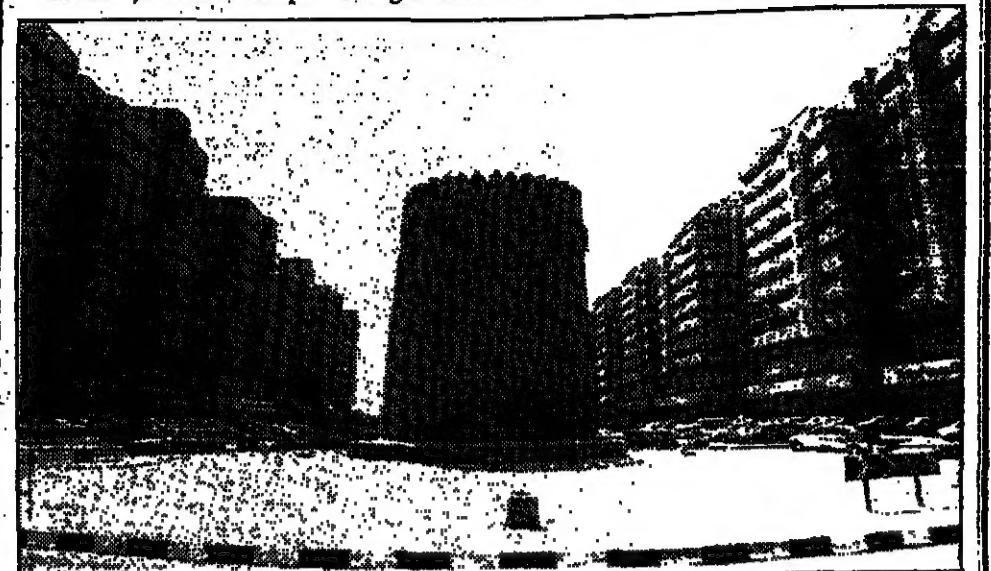
A syndicated loan of \$105 million was recently extended to Sharjah for the construction of desalination units at a major power station. The five-year loan—the first of that importance to be negotiated by Sharjah—proves that the emirate has the confidence of the international money market.

Several joint-stock compa-

This year, however, the solid foundation of the emirate's new onshore gas industry has spurred a move toward a new era of growth and prosperity.

The fortunes of Sharjah, the third largest of the seven emirates that comprise the United Arab Emirates, took a turn for the better in 1980 when a massive gas condensate discovery

In addition to the banks, many finance companies, commercial houses and government departments have moved to Boorj Avenue. Recent statistics show that 50 banks are located in the emirate, 18 of which are national and 32 foreign. Total budgets of the banks increased from \$1.35 billion in 1980 to \$2.14 billion in 1982.



Al Boorj Avenue, site of most of Sharjah's banks and commercial organizations.

nies have made inroads in 1985, and the revival of business activity has been accompanied by a considerable increase in the circulation of money and the sale and purchase of stocks.

National as well as international opinion is confident in Sharjah's ability to ride out the recession. Indeed, the past few years have undoubtedly been lean, to the point that some large companies—and many small ones—have collapsed.

was made onshore. Since then, the economic strength of the emirate has been acknowledged by the world's money markets and the major international banks.

The emirate has its own "Wall Street": the elegant Boorj Avenue in Sharjah City. Most of the banks are to be found there. They include the National Bank of Sharjah, the Bank of Sharjah, Investbank and the United Arab Bank.

A survey of the industrial sector by the Sharjah Economic Department revealed that the value of investments in that sector rose from \$71.23 million in 1976 to \$188.50 million in 1980—an increase of 164 percent. Since then, both the number of industries and the value of investments have tripled.

Other United Arab Emirates national banks with branches in Sharjah are: National Bank of Abu Dhabi, National Bank of Dubai, National Bank of Ras Al Khaimah, and National Bank of Umm Al Qaiwain.

Other banks include Arab Bank Ltd., Bank of the Arab Coast, Bank of Credit & Commerce (Emirates), Bank Mellat, Bank of Oman, Bank Saderat Iran, Banque du Caire, Banque du Liban et d'Orient Mex, Banque Indosuez, Banque Libanaise pour le Commerce, Barclays Bank International, British Bank of the Middle East, Chartered Bank, Citibank NA, Commercial Bank of Dubai, Dubai Bank (now part of the Union Bank of the Middle East), Federal Commercial Bank, First Gulf Bank, Grindlays Bank, Habib Bank AG Zurich, Habib Bank, Janata Bank, Middle East Bank and United Bank.

Local banks have reported a noticeable drop in letters of credit but this trend is regarded by financial experts as likely to be remedied in 1986 with the start of several new projects.

The picture for banking in Sharjah in the years to come is likely to improve, thanks to the increased revenues from the sale of condensates taken from the recently discovered gas fields.

British Bank Services

The British association with Sharjah has been a long one, and it is therefore not surprising that the biggest and oldest foreign bank in the United Arab Emirates is the British Bank of the Middle East (BBME), which opened an office in Sharjah in 1933. At one time, the BBME had 29 branches in the country—there are now only eight.

The chief executive officer in the United Arab Emirates, D.W. Paterson, stresses that the BBME has a "very positive" approach to recruiting U.A.E. nationals to work in the bank. "We do want to increase our national intake," he says, pointing out that the BBME looks to the University of the U.A.E. in Al Ain for future executive staff and to school-leavers for lower-level employees.

The bank has established its own training center, and pupils come from all over the Arab world, including Jordan and Egypt. Training is given in computerization, audit and other banking practices.

Commenting on business prospects for 1986, Paterson says: "There is a downturn at the moment, although as far as Sharjah is concerned there has been a shot in the arm through the discovery of the large gas fields in Saja and Mawa'id fields."

The BBME, says Paterson, is not only "keeping up with the time but is going ahead of the times."

Among the space-age aids to easy banking, the BBME has installed the automated teller machine (ATM), which provides a 24-hour instant cash-withdrawal and deposit facility. These machines, connected through the bank's electronic data communication channel, operate at a very high speed. Complex financial arrangements can be transmitted through the system in a fraction of a second.

Similarly, the bank is now seeking to expand its computerized services and all branches will be equipped with the latest technological equipment.

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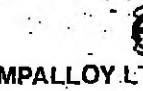

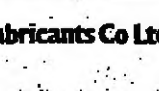
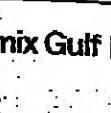
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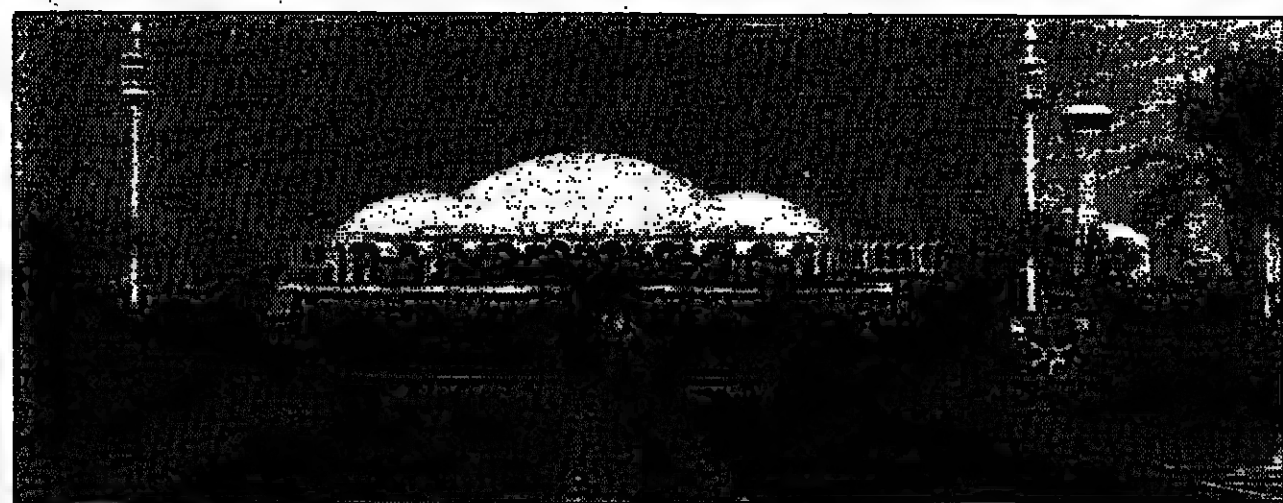
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ADVERTISING SECTION

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Increased Traffic at Sharjah Airport

The control tower, reminiscent of a minaret, is surrounded by domed structures such as the main terminal, all a reflection of Arab Islamic art.

Sharjah's international airport is an architectural gem. Its design reflects the country's Islamic heritage and combines aesthetic appeal with a practical layout designed to ease the handling of both passengers and cargo.

The terminal was built with traveler comfort in mind, as well as convenience of operation. Air bridges to waiting aircraft free passengers from having to leave the air-conditioned building which accommodates all the usual facilities: duty-free shops, banks, post office, restaurant and information points for travelers, car-hire, hotel reservations and the like.

The system of separate domes for separate functions and the addition of individual holding lounges near the aircraft help to upgrade passenger facilities and streamline aircraft loading. The turn-around time for large aircraft is less than an hour and, even during that short period, travelers can expect rest and refreshment in true Arab style.

The airport employs a staff of more than 600 people, operates around-the-clock and can handle about 2 million passengers per year. Its landing instruments, navigation aids, commu-

nications apparatus and fire-protection services all benefit from the latest technology.

The airport is managed by the Sharjah Airport Authority and assisted by the Frankfurt Airport Authority, whose advisory board chairman, Mr. H. Crollmann, said in October that there had been steady progress during the past few years and that there was every reason to believe that growth would continue at an accelerated pace in the foreseeable future.

The management contract was renewed in March 1985, and it was likely the association would continue for a long time.

Until a few months ago, the soaring value of the U.S. dollar had taken its toll on the burgeoning tourist trade in Sharjah, resulting in erratic arrivals. The Sharjah Tourist Department, which played the major role in attracting European tourists to the United Arab Emirates, had to admit that the linking of the dirham to the dollar had made the Europeans with weaker currencies think twice about booking package tours to the emirate.

More recently, of course, the dollar took a dive and the Europeans found their currencies buying many more dollars or

dirhams. Thus, the airport began handling more aircraft from West Germany, Austria, the United Kingdom and France, in particular.

As a result of local changes in the airline business, Gulf Air increased the number of its weekly flights out of Sharjah by more than ten, Sheikh Abdullah al Thani, chairman of the Sharjah Civil Aviation Department, announced in October. This brought the number of Gulf Air flights out of Sharjah to more than 30. Most of the flights are to Pakistan and India, destinations previously serviced by Gulf Air out of Dubai. These were stopped when Emirates Airline started Airbus services to those destinations on October 23.

Other major international airlines operating out of Sharjah include Syrian Arab Airlines, Air France, China Civil Aviation Authority, Saudia, Yemenia Air, Austria Airways and Air India. In addition, several cargo and charter lines from Europe and the Middle East regularly use the Sharjah airport.

During the period from September 1, 1984, to October 1, 1985, a total of 523,767 passengers used the airport, an in-

crease of 17.82 percent over the previous year.

Measures to expand facilities at Sharjah International Airport have been outlined by Mohammed Saif al Hajery, Civilian Aviation Department Director-General. He told travel agency executives that Gulf Air would soon have 35 flights a week out of Sharjah and that it was vital necessary for travel agencies to launch a marketing campaign to sell tickets and cargo space. The director-general said the services offered by the airport at Sharjah were considered to be among the best in the world. Some 70 percent of the goods offered at the duty-free shops were less expensive than at other airports. He said that a transport company would be formed in 1986 to carry passengers to and from different points in the emirate.

Sharjah Ports Upgraded

There are good days ahead for Sharjah's Mina Khalid and Khor Fakkan ports. Following several lean years when shipping was scarce and berths often empty, the tide has finally turned. Development in both ports points to a return to the busy berths of the early years after independence in 1971. At the time, the construction boom had produced the urgent need to build port facilities capable of handling the flood of building materials and machines that often remained unloaded offshore for weeks on end.

The Sharjah Ports Authority has earned a reputation for wise foresight and sensible planning. One of the first container terminals in the United Arab Emirates was built at Port Khalid a decade ago. Now the authority has set in motion a development program that includes dredging the Khalid harbor entrance, the basin and the berths so that modern container ships, large cargo carriers and bulk vessels can unload day and night. The container terminal now has three fully equipped berths. The latest gantry cranes average about 40 lifts an hour.

The major container lines' trend toward increasing the size of their ships was foreseen by the Ports Authority in 1983 when an Amiri decree authorized construction of the third container berth with an alongside draft of 11.5 meters. Furthermore, the latest container-handling equipment was installed to give the terminal

greater flexibility and space economy.

The Dubai-based contractor, Boskalis Westminster Middle East, was awarded a \$21.6 million contract to dredge the six-kilometer approach channel to a depth of 15 meters and the harbor basin to 14 meters. The work is due to be completed next May.

The operation is part of the

ing and storing ro-ro items, particularly automobiles. Next year, a three-storied office building will accommodate both port and customs authorities.

The port is a major handler of break-bulk and reefer cargoes. Its customized facilities and berths make it an ideal port for conventional and neo-bulk cargoes.



Sharjah ports: the tide has turned.

Halcrow International Partnership's program to allow liquefied petroleum gas carriers to load at a new terminal under construction. A breakwater is being built by the Greek firm, Archadon Construction, and is due for completion next April. It will contain about 800,000 cubic meters of rock and support structures.

Other improvements are being made to improve the handling of general and "ro-ro" (roll-on, roll-off) cargoes. The port is getting a new paper-clamp system to reduce the unloading time for paper reels, a fast-increasing import. Transhipped facilities are to be extended and there will be extra strong-surfaced areas for carry-

A cold store for refrigerated cargoes allows ships to discharge directly. More than 90 percent of chicken imports arrive at Sharjah, mainly from France and Denmark, but imports from South America and Africa are now increasing. These are handled speedily and reach the supermarkets within three days.

Khor Fakkan is anticipating a brighter future as well. This container port, which for some years saw its two cranes completely immobile, has now added two more to help cope with anticipated traffic.

The horizon has brightened thanks to the worldwide marketing campaign carried out by the Sharjah Ports Authority.

Over the past four years, the authority has promoted Khor Fakkan as the ideal location for a midway stopover on the Europe-Far East services of large container vessels. Containers could be unloaded and taken overland to the Gulf Coast, freeing vessels from having to go through the vulnerable Strait of Hormuz and pay high insurance rates. This promotion coincided with the shipping development that required large capacity container carriers serving intercontinental routes to unload cargoes at convenient ports en route and link with regional feeder services.

The Sharjah Ports Authority signed an agreement last July with the United States Lines for the use of Khor Fakkan as a regional transshipment point. The new service was inaugurated on September 20 when the vessel, American Illinois, berthed at the port. The ship carried 2,228 containers, and some of these, unloaded at Khor Fakkan, were carried by United States Lines relay vessels to other Gulf ports, the Indian subcontinent and other points.

The port has a 5,500 TEU (twenty foot equivalent units) storage capacity as well as an extra stacking area. The alongside berthing of 430 meters means that Khor Fakkan can accommodate two large ro-ro ships simultaneously. Ro-ro ships can operate stern ramps while other cargo can be discharged simultaneously via the overhead gantry cranes.

The constant upgrading reflects the Sharjah Ports Authority's belief that Sharjah ports will continue to attract more shipping lines.

National Bank Set to Expand

The National Bank of Sharjah anticipates the continuation of its supportive role in the government's economic development program. Furthermore, its expected growth will assure a safe bastion for investments and the continued financial well-being of the emirate.

Profits in 1984 declined but since then revenues from the Sajaa oilfield have helped build up government revenues, thus improving the cash-flow situation.

The National Bank has an authorized capital of 500 million dirhams (\$136 million) and a paid-up capital of 260 million dirhams. Profits declined from 61.2 million dirhams in 1983 to 33.2 million in 1984, due largely to the overall recession in the Gulf. Unlike other banks during that period, however, National Bank showed continued economic growth. Total assets increased by 21.2 percent and loans made rose by 23.3 percent over 1983 figures. A total of 26.9 million dirhams was transferred to the general reserve and 2.9 million to the statutory reserve.

Cash, balances with banks

and short-term funds rose from 490.5 million dirhams in 1983 to 669 million in 1984. Deposits with banks dropped from 443.6 million dirhams to 346.5 million. Marketable securities rose from 31 million dirhams to 117.8 million.

Founded by the Sharjah government in association with several prominent traders and businessmen in the emirate, the National Bank of Sharjah began operations on March 29, 1976. The present government shareholding is 26.35 percent.

In 1983 the National Bank's assets and earnings placed it 13th among the 100 major banks in the Arab world and its capital-asset ratio placed it second, ratings which reflect the bank's basic strength.

The National Bank is seeking to increase its presence in the United Arab Emirates market and is studying prospects for business in the international financial markets. The bank's reserves in 1983 provide it with a sound base to expand operations in 1986.

Hotel Choice

Where to stay? Sharjah's hotels offer luxury with five-star flair and varied international cuisines specially tailored for guests from faraway countries.

The Holiday Inn is located close to the new souk on the banks of the Khalid lagoon. There are 270 rooms as well as various suites. Conference and banquet facilities cater for up to 800 people. There is also a

Holiday Inn on the beach at Khor Fakkan.

The Marbella Club, adjacent to the Holiday Inn Sharjah, is a popular rendezvous. Built in the style of an Arab-Andalusian village in the midst of exotic gardens, it combines first-class hotel facilities and the social bonhomie of a residential club. There is equipment for water-skiing, windsurfing and sailing.

Other leading hotels include the Sharjah Continental, the Beach Hotel, the Grand Hotel, the Sharjah Carlton and the Hotel Nova.



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Terminal, Truckrainer and the Gulftrailer Shipping Agency. It has maintained its reputation as an innovator by introducing free-trade zone areas, dedicated in-house transport operation for delivery of cargoes and special packaged deals for transshipment operators.

The container terminal division handles cargoes for such international lines as Willine, Barber, FOSS, United Arab Shipping, K Line, IRISL, DSR, NYK, Orient Express, Norasia, COSCO, Macask, and others. These and other carriers have used the facilities because of the port's well-established reputation for fast turnaround times and cargo handling efficiency.

The development of a free-trade zone within the terminal area and the construction of a 200-meter berth extension (giving a total frontage of 586 meters), combined with an 11.5 meter draft, ensure that the container terminal division can service the largest vessels currently in use. Altogether, about 12 ships a month use the terminal, which this year has handled about 50,000 containers.



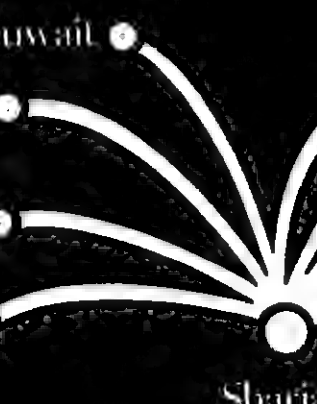
Gulf Air fly 48 times a week to/from Sharjah

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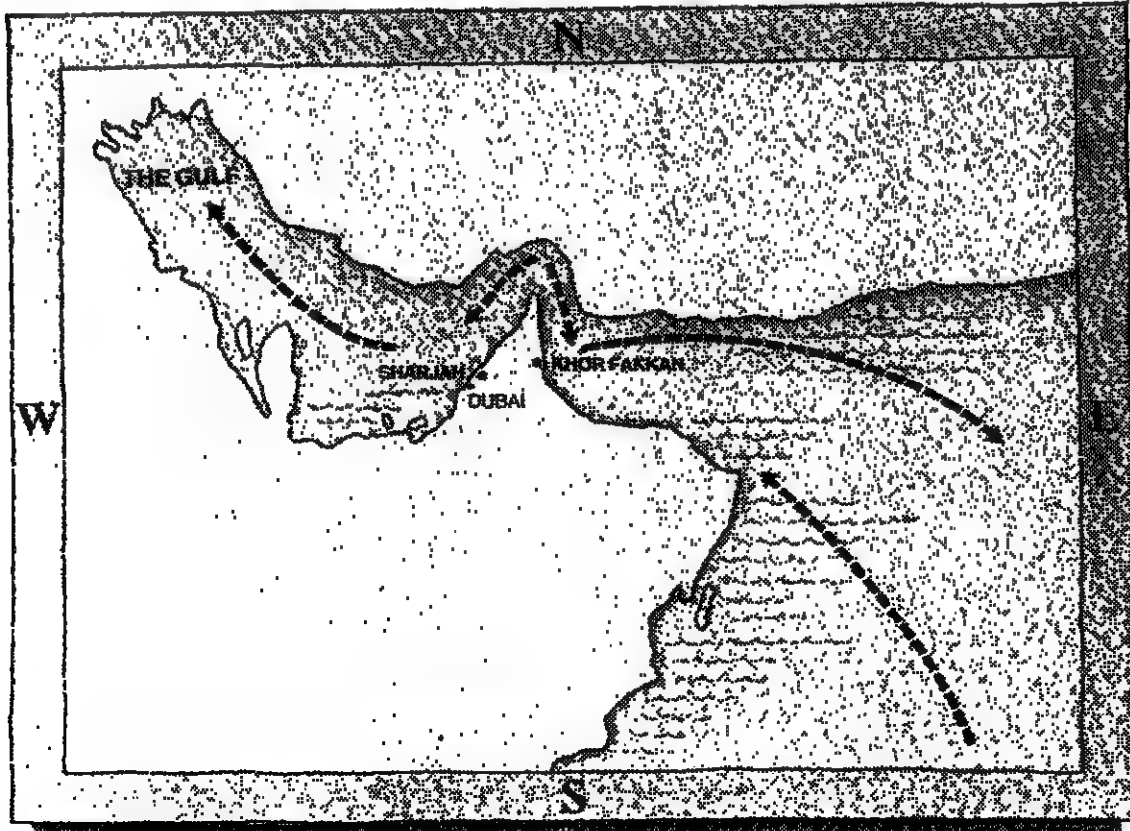
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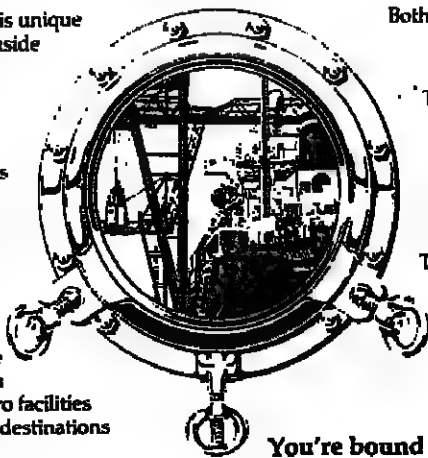
Ship through Sharjahports.

Within the U.A.E., the Emirate of Sharjah is unique in having developed ports on two coasts inside and outside the Gulf.

The Ports

Port Khalid on the West Coast of the peninsula is just on the doorstep of major U.A.E. markets with easy trucking logistics to Qatar, Saudi Arabia and onwards. The Port is a modern deep water 12 berth facility. Container, bulk, ro-ro, reefer and general cargo terminals are backed by spacious warehouses, open storage and a free trade zone.

Port Khor Fakkan on the East Coast is the only natural deep water harbour in the Middle East. This up-to-date terminal with its exceptional container handling and ro-ro facilities serves as a perfect feeder service point for destinations in the Gulf and Indian peninsula.



Both ports operate their own stevedores and are open round the clock, 365 days a year.

The System

The Sharjahports system provides the latest in equipment and benefits including Free Trade Zone advantages, simplified procedures and no fuss customs and documentation. In-bound cargo movements can be arranged between the ports and between Sharjah's International Airport. The Ports, Airport and onward links to other Gulf countries are served by modern multilane highways. Whatever your cargo or destination, you'll save time and money when you ship through Sharjahports.

You're bound to see the advantages

Sharjah Ports Authority

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And for the more aquatic, a carnival of water sports at the Sharjah Lagoon Festival.

Desert Safaris and Camel Racing

The United Arab Emirates, with its diverse attractions, is at the forefront of the Gulf states in attracting overseas tourists to the region, and the Sharjah emirate has so far played the key role.

"Smile, you're in Sharjah" has been the emirate's official slogan ever since oil wealth provided the impetus for all-around expansion—and for the birth of a tourist industry that has progressed steadily during the past few years.

Officially, Sharjah's tourism industry is controlled and guided by the Department of Tourism and Culture, whose director is Sheikh Ahmed bin Mohamed al Qasbi. Sheikh Qasbi is also chairman of the Sharjah World Trade & Expo Center.

The department has supported the private sector and has eased many entry restrictions and other formalities to place the emirate on the world's travel map. For instance, airlines are helped by the civil authority's open-sky policy and its provision of excellent arrival facilities.

Sharjah has thus become a semihub for Lufthansa, whose passengers from Frankfurt and Düsseldorf break their journey in the emirate while on their way to Colombo or the Maldives. In addition, many charter

flights from Europe bring tourist groups by arrangement with Sharjah hotels. Visa and other formalities have been relaxed for such parties and the result has been a spectacular increase in Sharjah's tourist income. One of the leading companies in the tourist field providing a wide range of attractions for the discerning visitor is Orient Travels.

Sharjah has much to offer the tourist. The magnificent Grand Mosque, which can hold 5,000 worshippers, is the latest and most spectacular landmark in the emirate. It has a library, and a school for Islamic studies is attached to it.

Smaller, but still architecturally attractive, mosques are to be seen throughout the emirate. One particularly fine example is set at the edge of what used to be the runway and buildings of the Royal Air Force during the days when Sharjah was a British protectorate. The main runway is still in use—as an auto highway.

Another ancient landmark is the Old Fort. Nearby are the harbor and lagoon where, in the 1930s, the flying boats of British Imperial Airways used to refuel en route to India. The fort then served as a guest house for passengers as the lux-

ury hotels of the present were still many years away.

Amid the modern ships using the high-technology port facilities of Sharjah are the traditional dhows, which still sail to Iran, the neighboring Gulf countries and the Indian subcontinent. Old and new exist in close harmony in Sharjah, and the traditional architecture of the new palace of the Ruler recalls the Islamic heritage of the emirate. A large cannon in the center of a traffic island close to the palace recalls more turbulent times.

The desert, of course, is the main attraction, and Sharjah is ideally located for safaris from October to May when climatic conditions are ideal for visitors.

The desert is scenically satisfying, often absolutely breathtaking. From its unique culture emerge a special way of life, religious buildings, cuisine, art—all different, all available in the comfort of 20th-century surroundings. There are also miles and miles of beaches. While Sharjah is by no means solely a beach destination, its sandy coastline offers marvelous opportunities for all kinds of marine sports, from sub-aqua diving to deep-sea fishing.

Excellent shopping facilities are available and the picturesque new souk (market) has a fascinating range of items, particularly 22-carat gold jewelry. Gold is sold at slightly more than the market bullion rate but, since there is usually no charge for workmanship, the tourist gets a better deal here than in Europe.

Sharjah and the northern emirates appeal to four distinct groups of visitors. The first includes conference, exhibition, and business-related travelers. Second is the group of long-haul travelers, usually more mature and culturally aware of the locations they visit. They are seeking a new and different destination and tend to be over 35 years of age. Such people now travel to the Caribbean, East Africa, India and Southeast Asia.

Then there are the travelers who visit friends and relatives working in the United Arab Emirates. They provide good business for food-and-beverage outlets and they are important to the travel agencies, particularly for safari and sightseeing tours. For airlines, they form a very important (although somewhat neglected) source of revenue.

There is also the stopover traffic. The Singapore route is a good example of long-haul stopover visits useful in promoting longer-stay tourism.

What does Sharjah have to offer? A typical tour might start at one of the hotels with an informal get-together at which coffee is served. This could be followed by a town tour and perhaps a traditional Arab dinner aboard a converted dhow.

The next couple of days could be left free to tour the souks (there are several besides the gold market). Then off to the desert for an overnight safari barbecue dinner in the dunes. Early next morning camel racing. Then a drive through mountain and desert along the east coast on the Arabian Sea. A visit to the oasis town of Al Ain, an ancient caravan stop on the trade routes from Oman to the fertile crescent of the Tigris and Euphrates. And, finally, the camel market.

The last few days could be spent lazing on the beach, a good combination of adventure and leisure. Among the many other variations are self-guide holidays, which enable visitors to follow existing safaris in their own vehicles.

The idea is not to flood the United Arab Emirates with tourists, to make it a Costa Brava or Costa del Sol. In light of the Islamic heritage of the emirates and the need to attract responsible people, the tourist goal could be about 60,000 people arriving during the cool months on charter flights or travel-agency or hotel-arranged tours. The attractions are many and varied and the memories will certainly last a lifetime.

Ship Passenger Service

Sharjah's Port Khalid has been chosen as the base for the first regular passenger shipping service between the United Arab Emirates, India and Pakistan.

The service, which started on November 10, is operated by the Marathon Gulf Shipping Co., a joint venture between the Greek firm Technical Marine Planning (Overseas) Ltd. and Sheikh Faisal bin Khalid Mohammed al Qasbi of Sharjah.

The service was opened when Caszran, a roll-on roll-off carrier, sailed from Sharjah to Bombay and Mangalore. The

ship gives passengers the choice of five classes at prices cheaper than those charged by airlines.

According to Dimitrios Tarazis, Marathon's managing partner, five sailings a month will be offered to Bombay, Mangalore and Karachi. The fully air-conditioned ship will carry cargo with space available for 100 cars and 22 trailers and containers.

Voyage times will be: two days to Karachi, two-and-a-half days to Bombay and three-and-a-half to Mangalore.

Focus

GIBCA Group Builds Souk and Heliport

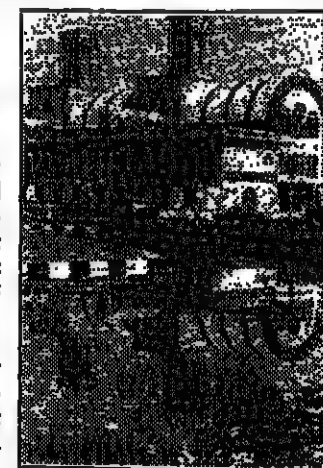
National enterprise is reflected in the success of the Sharjah-based General International Business Contracting Associates, known as "GIBCA." The company was established as a sole proprietorship in 1975 but by a ruler's decree was converted to a limited liability company in September 1977.

The GIBCA chairman is Sheikh Faisal bin Sultan al Qasbi and the vice-chairman is Sheikh Khalid bin Saqr al Qasbi.


The managing director is Sheikh Sultan bin Saqr al Qasbi.

The company, which employs 700 people of various nationalities, is engaged in several civil contracts, electrical and mechanical engineering works, trading and marketing of engineering products, transportation, quarrying and other activities. It has a paid-up capital of 20 million dirhams and a loan capital of 7 million dirhams.


GIBCA has consistently been a profitable enterprise and has completed many civil engineering contracts throughout the United Arab Emirates. At present, the company is engaged in constructing the Sharjah-Dhaid highway interchange, building premises for the U.A.E. Central Bank, completing the Abu Dhabi heliport facilities and constructing a souk shopping center in Al Dhaid, Sharjah.





A view of the Sharjah souk.



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WEDNESDAY, DECEMBER 4, 1985

Firms' Perquisites Remain A Big Plus for Executives

By SHERRY BUCHANAN
International Herald Tribune

PARIS — Perquisites are the ultimate in corporate tender loving care. And although the United States, Britain and France are trying hard to discourage some executive perks by taxing them, most companies, executives and financial advisers believe that perks are here to stay.

Because income taxes are high for big earners, the value of perks is usually greater to an executive than the cost of the perk is to the company. And, in spite of tax reforms, many perks remain a kind of shelter for individuals in high tax brackets. The only losers are the tax authorities.

For example, under the 1986 tax rate on company cars, a British executive will pay £2,100 (\$3,125) in tax on a company car worth £30,000.

An executive in the 70-percent tax bracket for personal income would have to be paid an extra £100,000 so he would have £30,000 left to pay for the car on his own. If the executive had gotten the extra income instead of the car, the Inland Revenue Service would have collected £70,000 in tax instead of £2,100.

In addition, the recent increase in employers' contributions to Britain's National Insurance may encourage companies there to remunerate their top executives with perks rather than raises in salary. Effective next Oct. 5, the increase in employer contribution to the National Insurance on a £30,000 salary will rise to £3,135, from £1,440.

Financial consultants agree that tax reforms are pushing companies to get rid of the more exotic perks that are often difficult and costly to administer, such as paying for personal telephone calls or fully equipped kitchens or for clothing.

"The same perks are on the way out," says Christopher Whitehouse, chief executive of MWP Ltd., a London-based financial consulting company.

SAVILE Row suits, for instance, bought or rented by companies for some top executives were once tailor-made to escape the Inland Revenue, but no longer.

"Some years ago they were considered as a perk. But they died a natural death because it's a very gray area in terms of taxes," said Alan Hill, of Anthony J. Hewitt, a Savile Row tailor, who no longer has clients being dressed by their corporations. It seems that the denial last year of a tax exemption to a baronet for her court robes was the final blow to the tax-shelter suit.

But many perks remain a good way to remunerate top executives. According to PA Consulting Group's International Pay and Benefits Survey for 1986, fringe benefits for the top financial executive of a medium-sized company with a base salary of £30,000 represents as much as 37.5 percent of basic salary in Britain, 36.6 percent in the United States and 15.13 percent in France. The benefits include such things as supplementary pensions, private medical insurance and other insurance, the company car, telephone expenses and subsidized lunches.

New perks are appearing to replace ones that are no longer tax-exempt. Financial counseling is a benefit that is gaining in popularity, especially in the United States, and personal home computers are popping up here and there, although some executives wonder whether they are really perks or a subtle hint to take your work home.

But, even in countries where most perks have never been tax shelters, such as Sweden and West Germany, the company car remains the most popular perk.

"Doing away with the company car would be self-defeating because it would cripple the car industry throughout Europe," said John Booley, motor correspondent for Chief Executive, a (Continued on Page 19, Col. 5)

Sohio Sets Special Charge

\$1.15 Billion In 4th Quarter

Compiled by Our Staff From Dispatches

CLEVELAND — Standard Oil Co. (Ohio) said Tuesday that it will take a \$1.15-billion charge against fourth-quarter earnings to reflect the cost of reorganizing its mineral operations and writing down the value of certain assets.

The company said the charge would amount to \$1.15 billion after tax, or \$4.90 per share.

In the fourth quarter of 1984, Sohio had earnings of \$290 million, or \$1.25 a share, on sales of \$3.2 billion.

In a related development, British Petroleum Co., which owns 55 percent of the U.S. company, said it would take an estimated after-tax charge of \$600 million (\$888 million) for 1985 to reflect its share of the Sohio writedown.

BP, Britain's largest oil company, reported attributable, or net, income of \$1.1 billion in 1984.

Sohio said the reorganization will include expenditures of \$400 million over three years to modernize its copper mines near Salt Lake City, Utah, which were closed earlier this year because of operating losses. That project will make some assets obsolete or surplus, the announcement said.

Also contributing to the special charge, Sohio said, will be the reassessment of the value of some mineral reserves; previously announced staff reductions; and organizational changes, regulatory measures associated with its Alaska oil operations, and the sale of some assets.

"Apart from these special charges, our basic oil and gas production, refining and marketing businesses continue at a pace somewhat stronger than indicated in the third quarter," Sohio's chairman, Alton W. Whitehouse, said.

Sohio said the modernization project will allow annual production of about 185,000 tons of refined copper, plus gold, silver and molybdenum byproducts from the mine outside Salt Lake City.

Regarding the fourth-quarter charges, Mr. Whitehouse said: "This action recognizes concern about future oil prices, continued weak coal and copper markets and general economic uncertainties. In addition, we expect to realize significant cash flow from this action as a result of asset sales and tax reductions." (AP, Reuters)



Youths look for work at the Jerusalem government employment bureau.

Israeli Austerity: Worse Yet to Come

By Thomas A. Friedman

TEL AVIV — In the bad old days of the Israeli economy, blue-collar laborers at the huge Osem noodle factory near Tel Aviv used to spend their morning coffee breaks lined up at the pay phone near the front gate. Inflation was so rampant that workers strained to stay in almost constant contact with their bankers and brokers to retain the value of their paychecks. They shifted funds from the stock market to money markets to U.S. dollar-denominated bonds — day-by-day, even hour-by-hour.

Today, the Osem phone booth is usually empty and the only lines are at the coffee machine. Now workers have another worry about their paycheck — whether they will keep the job that generates it.

After seven years of steadily mounting economic chaos under the rightist Likud government — stagnation in real productivity growth, South American-style inflation and a wild personal and governmental spending binge — the Israeli economy is finally coming back to its senses.

A draconian economic reform package instituted last July by Prime Minister Shimon Peres and Finance Minister Yitzhak Mordechai has sent un-

employment heading toward 10 percent from 6 percent. It has also slashed personal incomes by about 25 percent and the government budget by the equivalent of nearly \$1 billion. But it has dragged down the rate of inflation from 800 percent to a "manageable" 50 percent to 60 percent a year.

"There has been a return to sanity," said David Klein, head of strategic planning for Bank Leumi, Israel's largest bank. "We have gone from a mood in which people felt the government had lost control of the economy and that there might be a need for a 'strong hand,' to an atmosphere in which people believe the government knows what it is doing and has a plan that we can achieve. I only hope it lasts."

The post-binge mood in the country is palpable and is summed up by the often-repeated phrase: "Well, I guess the party is over."

Israel recently held its biggest government lottery ever, with a \$1-million payoff. When television interviewers asked people standing in line what they would do if they won, no one said "take a trip to Europe." It was always basics: They (Continued on Page 19, Col. 1)

Singapore Mart Plans to Reopen Trades Thursday

Agence France-Press

SINGAPORE — The Stock Exchange of Singapore is to reopen trading on Thursday, the exchange said Tuesday.

The exchange said it would need one more day without trading to put in place a multimillion-dollar standby-credit facility to prop up any brokers in difficulty.

The announcement came at a joint press conference called by the Monetary Authority of Singapore, the exchange and top managers of the "big four" local banks offering the credit line.

There was no official announcement of when the Kuala Lumpur Stock Exchange would reopen, but Singapore exchange officials said the Malaysian exchange was also expected to reopen Thursday.

Both exchanges suspended trading as of Monday following the collapse of a big Singapore and Malaysia-owned industrial conglomerate, Pan-Electric Industries Ltd. The Singapore and Kuala Lumpur exchanges share more than two-thirds of the companies listed on their exchanges.

The Monetary Authority's managing director, Joseph Pillay, said that he had informed the Malaysian treasury secretary-general, Thong Yaw Hong, of the decision.

The suspensions caused widespread panic among investors in the region and also pushed down the prices of companies traded in London and Hong Kong that have Singaporean and Malaysian interests.

The plan to allow the re-opening of the Singapore market, Mr. Pillay said, was hammered out in a series of meetings Monday and Tuesday. Under the plan, the four banks (Continued on Page 19, Col. 1)

Currency Rates

Currency	Rate	Change
U.S. Dollar	1.00	
British Pound	1.64	+0.01
West German Mark	1.48	+0.01
French Franc	6.55	+0.01
Italian Lira	1,360	+10
Japanese Yen	160	+1
Swiss Franc	1.48	+0.01
Spanish Peseta	166.6	+1
Portuguese Escudo	200.4	+1
Belgian Franc	36.3	+0.01
Dutch Guilder	3.76	+0.01
Australian Dollar	1.48	+0.01
New Zealand Dollar	1.48	+0.01
South African Rand	1.48	+0.01
Israeli Sheqel	1.48	+0.01
Indian Rupee	1.48	+0.01
Pakistani Rupee	1.48	+0.01
Sri Lankan Rupee	1.48	+0.01
Thai Baht	1.48	+0.01
Philippine Peso	1.48	+0.01
Indonesian Rupiah	1.48	+0.01
Malaysian Ringgit	1.48	+0.01
Singapore Dollar	1.48	+0.01

Interest Rates

Instrument	Rate	Change
3-month T-bill	7.50	
6-month T-bill	7.50	
1-year T-bill	7.50	
3-month Treasury note	7.50	
6-month Treasury note	7.50	
1-year Treasury note	7.50	
3-month Corporate bond	7.50	
6-month Corporate bond	7.50	
1-year Corporate bond	7.50	
3-month Municipal bond	7.50	
6-month Municipal bond	7.50	
1-year Municipal bond	7.50	

U.S. Indicators Show Weak Advance

Compiled by Our Staff From Dispatches

WASHINGTON — The index of leading indicators, the government's barometer of U.S. economic trends, rose a modest 0.3 percent in October, the sixth consecutive month of improvement, the Commerce Department said Tuesday.

The department also revised upward the index for September, showing a 0.4-percent increase instead of the 0.1 percent initially reported. The increase for August was revised downward to 0.8 percent from 0.9 percent.

In a separate report, the Census Bureau said housing sales fell 5.5 percent during October, the biggest drop since April. Analysts were surprised by the housing figures, given the lower interest rates of the past several months.

The index, which economists use to predict economic activity about three months ahead, has improved in every month since May, but modestly.

Revised figures placed the increase in the index for the third quarter at 1.5 percent, after a second quarter that showed no increase.

Commerce Secretary Malcolm Baldrige said October's gain brought the average monthly increase during the past six months to 0.4 percent.

"Past relationships show that average gains of 0.5 percent per month in the leading indicators are consistent with next year's target of 4 percent growth in real gross national product," Mr. Baldrige said in a prepared statement, adding that the index was "pointing toward continued expansion in 1986."

Many private economists were less optimistic.

"It's extremely consistent with a modest outlook over the next several months," said Robert Gough of Data Resources Inc. Referring to the administration's target for 4-percent economic growth next

U.S. to Announce Trade Action Against Japan

Compiled by Our Staff From Dispatches

WASHINGTON — The United States will soon announce retaliatory action against Japan for alleged unfair closure of its markets to U.S. leather and leather products, administration officials said Tuesday.

There was no immediate indication of the nature of the U.S. retaliation and what Japanese imports might be affected.

The U.S. trade representative, Clayton K. Yeutter, said he was meeting Tuesday with Japanese officials and would stress the United States' intention to increase aggressiveness in trade policy. Mr. Yeutter said he hoped for a conclusion of the trade complaint against Japan's restrictions on imports of leather and leather products soon.

On another trade issue, Mr. Yeutter said that the United States and the European Community had settled their dispute on EC subsidies on canned fruit exports to the United States. In remarks at an

Agriculture Department conference in Washington, he said his office would make an official announcement of the details later.

Industry ministers from the European Community will meet in Brussels Wednesday in emergency session unless Britain has by then lifted its objections to an agreement limiting EC steel exports to the United States, community sources quoted by Agence France-Press said Tuesday.

Britain is reportedly prepared to scuttle the tentative accord signed last month between the EC's executive commission and U.S. officials if it does not obtain guarantees on the export to the United States of

semi-finished steel products, which are not covered in the agreement.

British representatives to community headquarters in Brussels Friday again refused to endorse the accord.

The United States had warned the commission that it would impose obstacles to EC steel imports this week if the accord, limiting community sales on the U.S. market to around 6 million metric tons (6.6 million short tons) a year for four years, was not endorsed.

The United States has said it intends to limit imports of semi-finished steel products beginning in 1986 to 600,000 tons a year. (Reuters, AFP)

C&W's £933-Million Offer Is Quickly Oversubscribed

Reuters

LONDON — The per-share price for Cable & Wireless PLC's stock offering was set at 587 pence Tuesday. The company announced soon thereafter that the £933-million (about \$1.39-billion) issue, being sold in Japan and Canada as well as Britain, was oversubscribed.

The issue managers said that institutional demand for the 146.1 million shares to be offered in Britain on behalf of the British government and the company itself was well in excess of what is available.

"The issue is fully subscribed," David Netherton of J. Henry Schroder Wagg & Co., a merchant bank arranging the sale, said of the sale, the second largest such stock offering.

C&W, Schroder Wagg and the other issue managers, Kleinwort Benson Ltd., spoke to journalists after announcing that the offer had been underwritten at the fully paid price of 587 pence a share.

Kleinwort Benson said the total offer of 159 million shares was to close Dec. 11.

Some 146 million shares are offered in Britain. The 587-pence price is a discount of 5 percent from Monday's 618 pence closing price. The stock closed Tuesday at 610 pence on the London Stock

Exchange. The lower offering price partly reflects this week's fall in the price of shares on the London Stock Exchange.

The issue mainly consists of the Conservative government's remaining stake of 22.7 percent in C&W, totaling 102.5 million shares.

Cable & Wireless will also sell 43.6 million shares by way of rights issues to existing shareholders in Britain. Investors in Japan and Canada can buy 12.8 million shares through separate sales.

The world's largest offering took place last November, when the government sold a 50.2-percent stake in British Telecommunications PLC, raising £4 billion. Those shares have nearly doubled in value in a year.

In a move designed to make the C&W issue more attractive, investors will be asked to pay only £3 on application, with the balance payable in March.

The sale of the government's stake is in line with the policy of Prime Minister Margaret Thatcher of rolling back state ownership of industry by selling off public companies.

The company had a pretax profit of £245 million in the 12 months to March on revenue of £862 million.

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MARKET CLOSED he stock exchange in Singapore remained closed Tuesday because of securities crisis there.

JET AVIATION

IBT-14

NYSE Most Actives				
Vol.	High	Low	Last	Chg.
IBM	218.50	217.50	217.50	+1/8
AT&T	217.50	216.50	216.50	+1/8
GE	216.50	215.50	215.50	+1/8
Boeing	215.50	214.50	214.50	+1/8
McDonald's	214.50	213.50	213.50	+1/8
Wendy's	213.50	212.50	212.50	+1/8
Starbucks	212.50	211.50	211.50	+1/8
Wal-Mart	211.50	210.50	210.50	+1/8
Target	210.50	209.50	209.50	+1/8
Home Depot	209.50	208.50	208.50	+1/8
Lowes	208.50	207.50	207.50	+1/8
Walmart	207.50	206.50	206.50	+1/8
Walgreens	206.50	205.50	205.50	+1/8
CVS	205.50	204.50	204.50	+1/8
Wal-Mart	204.50	203.50	203.50	+1/8
Walgreens	203.50	202.50	202.50	+1/8
CVS	202.50	201.50	201.50	+1/8
Wal-Mart	201.50	200.50	200.50	+1/8
Walgreens	200.50	199.50	199.50	+1/8
CVS	199.50	198.50	198.50	+1/8
Wal-Mart	198.50	197.50	197.50	+1/8
Walgreens	197.50	196.50	196.50	+1/8
CVS	196.50	195.50	195.50	+1/8
Wal-Mart	195.50	194.50	194.50	+1/8
Walgreens	194.50	193.50	193.50	+1/8
CVS	193.50	192.50	192.50	+1/8
Wal-Mart	192.50	191.50	191.50	+1/8
Walgreens	191.50	190.50	190.50	+1/8
CVS	190.50	189.50	189.50	+1/8
Wal-Mart	189.50	188.50	188.50	+1/8
Walgreens	188.50	187.50	187.50	+1/8
CVS	187.50	186.50	186.50	+1/8
Wal-Mart	186.50	185.50	185.50	+1/8
Walgreens	185.50	184.50	184.50	+1/8
CVS	184.50	183.50	183.50	+1/8
Wal-Mart	183.50	182.50	182.50	+1/8
Walgreens	182.50	181.50	181.50	+1/8
CVS	181.50	180.50	180.50	+1/8
Wal-Mart	180.50	179.50	179.50	+1/8
Walgreens	179.50	178.50	178.50	+1/8
CVS	178.50	177.50	177.50	+1/8
Wal-Mart	177.50	176.50	176.50	+1/8
Walgreens	176.50	175.50	175.50	+1/8
CVS	175.50	174.50	174.50	+1/8
Wal-Mart	174.50	173.50	173.50	+1/8
Walgreens	173.50	172.50	172.50	+1/8
CVS	172.50	171.50	171.50	+1/8
Wal-Mart	171.50	170.50	170.50	+1/8
Walgreens	170.50	169.50	169.50	+1/8
CVS	169.50	168.50	168.50	+1/8
Wal-Mart	168.50	167.50	167.50	+1/8
Walgreens	167.50	166.50	166.50	+1/8
CVS	166.50	165.50	165.50	+1/8
Wal-Mart	165.50	164.50	164.50	+1/8
Walgreens	164.50	163.50	163.50	+1/8
CVS	163.50	162.50	162.50	+1/8
Wal-Mart	162.50	161.50	161.50	+1/8
Walgreens	161.50	160.50	160.50	+1/8
CVS	160.50	159.50	159.50	+1/8
Wal-Mart	159.50	158.50	158.50	+1/8
Walgreens	158.50	157.50	157.50	+1/8
CVS	157.50	156.50	156.50	+1/8
Wal-Mart	156.50	155.50	155.50	+1/8
Walgreens	155.50	154.50	154.50	+1/8
CVS	154.50	153.50	153.50	+1/8
Wal-Mart	153.50	152.50	152.50	+1/8
Walgreens	152.50	151.50	151.50	+1/8
CVS	151.50	150.50	150.50	+1/8
Wal-Mart	150.50	149.50	149.50	+1/8
Walgreens	149.50	148.50	148.50	+1/8
CVS	148.50	147.50	147.50	+1/8
Wal-Mart	147.50	146.50	146.50	+1/8
Walgreens	146.50	145.50	145.50	+1/8
CVS	145.50	144.50	144.50	+1/8
Wal-Mart	144.50	143.50	143.50	+1/8
Walgreens	143.50	142.50	142.50	+1/8
CVS	142.50	141.50	141.50	+1/8
Wal-Mart	141.50	140.50	140.50	+1/8
Walgreens	140.50	139.50	139.50	+1/8
CVS	139.50	138.50	138.50	+1/8
Wal-Mart	138.50	137.50	137.50	+1/8
Walgreens	137.50	136.50	136.50	+1/8
CVS	136.50	135.50	135.50	+1/8
Wal-Mart	135.50	134.50	134.50	+1/8
Walgreens	134.50	133.50	133.50	+1/8
CVS	133.50	132.50	132.50	+1/8
Wal-Mart	132.50	131.50	131.50	+1/8
Walgreens	131.50	130.50	130.50	+1/8
CVS	130.50	129.50	129.50	+1/8
Wal-Mart	129.50	128.50	128.50	+1/8
Walgreens	128.50	127.50	127.50	+1/8
CVS	127.50	126.50	126.50	+1/8
Wal-Mart	126.50	125.50	125.50	+1/8
Walgreens	125.50	124.50	124.50	+1/8
CVS	124.50	123.50	123.50	+1/8
Wal-Mart	123.50	122.50	122.50	+1/8
Walgreens	122.50	121.50	121.50	+1/8
CVS	121.50	120.50	120.50	+1/8
Wal-Mart	120.50	119.50	119.50	+1/8
Walgreens	119.50	118.50	118.50	+1/8
CVS	118.50	117.50	117.50	+1/8
Wal-Mart	117.50	116.50	116.50	+1/8
Walgreens	116.50	115.50	115.50	+1/8
CVS	115.50	114.50	114.50	+1/8
Wal-Mart	114.50	113.50	113.50	+1/8
Walgreens	113.50	112.50	112.50	+1/8
CVS	112.50	111.50	111.50	+1/8
Wal-Mart	111.50	110.50	110.50	+1/8
Walgreens	110.50	109.50	109.50	+1/8
CVS	109.50	108.50	108.50	+1/8
Wal-Mart	108.50	107.50	107.50	+1/8
Walgreens	107.50	106.50	106.50	+1/8
CVS	106.50	105.50	105.50	+1/8
Wal-Mart	105.50	104.50	104.50	+1/8
Walgreens	104.50	103.50	103.50	+1/8
CVS	103.50	102.50	102.50	+1/8
Wal-Mart	102.50	101.50	101.50	+1/8
Walgreens	101.50	100.50	100.50	+1/8
CVS	100.50	99.50	99.50	+1/8
Wal-Mart	99.50	98.50	98.50	+1/8
Walgreens	98.50	97.50	97.50	+1/8
CVS	97.50	96.50	96.50	+1/8
Wal-Mart	96.50	95.50	95.50	+1/8
Walgreens	95.50	94.50	94.50	+1/8
CVS	94.50	93.50	93.50	+1/8
Wal-Mart	93.50	92.50	92.50	+1/8
Walgreens	92.50	91.50	91.50	+1/8
CVS	91.50	90.50	90.50	+1/8
Wal-Mart	90.50	89.50	89.50	+1/8
Walgreens	89.50	88.50	88.50	+1/8
CVS	88.50	87.50	87.50	+1/8
Wal-Mart	87.50	86.50	86.50	+1/8
Walgreens	86.50	85.50	85.50	+1/8
CVS	85.50	84.50	84.50	+1/8
Wal-Mart	84.50	83.50	83.50	+1/8
Walgreens	83.50	82.50	82.50	+1/8
CVS	82.50	81.50	81.50	+1/8
Wal-Mart	81.50	80.50	80.50	+1/8
Walgreens	80.50	79.50	79.50	+1/8
CVS	79.50	78.50	78.50	+1/8
Wal-Mart	78.50	77.50	77.50	+1/8
Walgreens	77.50	76.50	76.50	+1/8
CVS	76.50	75.50	75.50	+1/8
Wal-Mart	75.50	74.50	74.50	+1/8
Walgreens	74.50	73.50	73.50	+1/8
CVS	73.50	72.50	72.50	+1/8
Wal-Mart	72.50	71.50	71.50	+1/8
Walgreens	71.50	70.50	70.50	+1/8
CVS	70.50	69.50	69.50	+1/8
Wal-Mart	69.50	68.50	68.50	+1/8
Walgreens	68.50	67.50	67.50	+1/8
CVS	67.50	66.50	66.50	+1/8
Wal-Mart	66.50	65.50	65.50	+1/8
Walgreens	65.50	64.50	64.50	+1/8
CVS	64.50	63.50	63.50	+1/8
Wal-Mart	63.50	62.50	62.50	+1/8
Walgreens	62.50	61.50	61.50	+1/8
CVS	61.50	60.50	60.50	+1/8
Wal-Mart	60.50	59.50	59.50	+1/8
Walgreens	59.50	58.50	58.50	+1/8
CVS	58.50	57.50	57.50	+1/8
Wal-Mart	57.50	56.50	56.50	+1/8
Walgreens	56.50	55.50	55.50	+1/8
CVS	55.50	54.50	54.50	+1/8
Wal-Mart	54.50	53.50	53.50	+1/8
Walgreens	53.50	52.50	52.50	+1/8
CVS	52.50	51.50	51.50	+1/8
Wal-Mart	51.50	50.50	50.50	+1/8
Walgreens	50.50	49.50	49.50	+1/8
CVS	49.50	48.50	48.50	+1/8
Wal-Mart	48.50	47.50	47.50	+1/8
Walgreens	47.50	46.50	46.50	+1/8
CVS	46.50	45.50	45.50	+1/8
Wal-Mart	45.50	44.50	44.50	+1/8
Walgreens	44.50	43.50	43.50	+1/8
CVS	43.50	42.50	42.50	+1/8
Wal-Mart	42.50	41.50	41.50	+1/8
Walgreens	41.50	40.50	40.50	+1/8
CVS	40.50	39.50	39.50	+1/8
Wal-Mart	39.50	38.50	38.50	+1/8
Walgreens	38.50	37.50	37.50	+1/8
CVS	37.50	36.50	36.50	+1/8
Wal-Mart	36.50	35.50	35.50	+1/8
Walgreens	35.50	34.50	34.50	+1/8
CVS	34.50	33.50	33.50	+1/8
Wal-Mart	33.50	32.50	32.50	+1/8
Walgreens	32.50	31.50	31.50	+1/8
CVS	31.50	30.50	30.50	+1/8
Wal-Mart	30.50	29.50	29.50	+1/8
Walgreens	29.50	28.50	28.50	+1/8
CVS	28.50	27.50	27.50	+1/8
Wal-Mart	27.50	26.50	26.50	+1/8
Walgreens	26.50	25.50	25.50	+1/8
CVS	25.50	24.50	24.50	+1/8
Wal-Mart	24.50	23.50	23.50	+1/8
Walgreens	23.50	22.50	22.50	+1/8
CVS	22.50	21.50	21.50	+1/8
Wal-Mart	21.50	20.50	20.50	+1/8
Walgreens	20.50	19.50	19.50	+1/8
CVS	19.50	18.50	18.50	+1/8
Wal-Mart	18.50	17.50	17.50	+1/8
Walgreens	17.50	16.50	16.50	+1/8
CVS	16.50	15.50	15.50	+1/8
Wal-Mart	15.50	14.50	14.50	+1/8
Walgreens	14.50	13.50	13.50	+1/8
CVS	13.50	12.50	12.50	+1/8
Wal-Mart	12.50	11.50	11.50	+1/8
Walgreens	11.50	10.50	10.50	+1/8
CVS	10.50	9.50	9.50	+1/8
Wal-Mart	9.50	8.50	8.50	+1/8
Walgreens	8.50	7.50	7.50	+1/8
CVS	7.50	6.50	6.50	+1/8
Wal-Mart	6.50	5.50	5.50	+1/8
Walgreens	5.50	4.50	4.50	+1/8
CVS	4.50	3.50	3.50	+1/8
Wal-Mart	3.50	2.50	2.50	+1/8
Walgreens	2.50	1.50	1.50	+1/8
CVS	1.50	0.50	0.50	+1/8
Wal-Mart	0.50	0.00	0.00	+1/8
Walgreens	0.00	0.00	0.00	+1/8
CVS	0.00	0.00	0.00	+1/8

Dow Jones Averages					
	Open	High	Low	Last	Chg.
Indus	1455.05	1466.41	1450.34	1459.06	+ 1.51
Transp	684.56	694.11	683.29	690.78	+ 0.27
UTIL	163.62	164.73	162.85	163.83	+ 0.21
Comp	584.14	590.19	581.88	586.13	+ 1.18

NYSE Index				
	High	Low	Close	Change
Composite	115.88	115.52	115.88	+0.25
Industrials	132.92	132.61	132.92	+0.28
Transp.	111.33	110.38	111.33	+0.28
Utilities	59.71	59.51	59.71	+0.13
Finance	124.80	124.54	124.75	+0.15

BUSINESS ROUNDUP

Toyota Said to Choose Plant Site in Kentucky

The Associated Press
DETROIT — Toyota Motor Corp. of Japan has selected a tract in Kentucky for a \$300-million U.S. automobile assembly plant, a company source said Tuesday.

The comment followed a story Tuesday in the Tennesseean, a Nashville newspaper, that quoted a Toyota industry source as saying that Toyota would announce its choice next week.

Trafalgar Shows 26% Profit Gain

Reuters
LONDON — Trafalgar House PLC said Tuesday that its profit for the year ended Sept. 30 rose 26 percent from a year earlier to £42.51 million (£210.9 million) from £113.15 million. Operating profit rose to £160.03 million from £124.59 million, the company said.

Trafalgar's chairman, Sir Nigel Brookes, said the company will continue to focus on direct assets investment over the coming year.

"We have spent £173 million on direct asset investment in 1985," he told a news conference. "That's really what Trafalgar has been about and will be for the next few months." Of a total of £100 million expected to be put into capital investment over the next year, about £70 million would go to the oil and gas sector, he said.

Agip Makes Offer for Phillips's Stake In 4 North Sea Fields; Follows Elf Bid

Reuters
ROME — The Italian state oil company, Agip SpA, is offering \$180 million for Phillips Petroleum Co.'s 35-percent stake in four North Sea fields known as T Block, the parent company, Eni Nazionale Idrocarburi SpA, said Tuesday.

An ENI spokeswoman, confirming a report in the financial daily *Il Sole 24 Ore*, said Agip's offer had not yet been accepted.

The report said Agip sought either to buy Phillips's stake outright, thus increasing its own stake to 53 percent, or to divide it with other T-Block partners.

Last month, Elf Aquitaine of France said it was bidding to acquire Phillips's stake, conditional on taking over from Phillips as operator. But Phillips's partners on the block, Petrofina SA of Belgium, Agip, London & Scottish Marine Oil PLC, and Century Power & Light Ltd., had first right to acquire Phillips's stake by making a matching offer.

Il Sole 24 Ore said the Agip offer was intended as a counter bid to one "substantially of the same order" by Elf.

The ENI spokeswoman said she could not confirm the newspaper's assertion that a decision on Phillips's participation would be made this week.

In London, a spokesman for Century Power, a subsidiary of Imperial Continental Gas Association, declined comment on a Financial Times report that it was believed to have offered \$31.2 million for 6 percent of the Phillips stake.

Oil industry sources said reserves on the block are estimated at 250 to 700 million barrels.

Texaco Is Denied Delay of Hearing

New York Times Service
NEW YORK — A judge has denied Texaco Inc.'s request for a week's delay of a hearing scheduled for Thursday to review the jury verdict that Texaco must pay Pennzoil Co. \$10.53 billion.

Judge Solomon Cashe, in the state district court in Houston, gave no reason for Monday's decision, which clears the way for his review of the jury verdict and award of damages. In November, the Houston jurors found that Texaco had improperly enticed Getty Oil Co. to back out of a merger last year with Pennzoil. Texaco subsequently acquired Getty for \$10.2 billion.

Texaco, whose stock has fallen more than \$7 since the Nov. 19 jury verdict, closed Tuesday on the New York Stock Exchange at \$31, down 75 cents. Pennzoil stock, which has climbed more than \$16 in the same period, finished Tuesday at \$66.25, a gain of \$3 from Monday.

Unilever PLC Nominates Chairman

By Brenda Erdmann
International Herald Tribune
LONDON — The boards of the Unilever companies said Tuesday that they plan to elect Michael Angus as chairman of Unilever PLC and as a vice chairman of Unilever NV, succeeding Sir Kenneth Durham, who is to retire in May at the annual general meetings of the companies.

Upon his retirement, Sir Kenneth, 61, will have been with Unilever for 36 years, the past four as chairman of the British arm, Unilever PLC.

Mr. Angus, 55, has been with Unilever for 31 years. He currently is a member of the special committee, which acts as a joint chief executive of the combined companies, and a vice chairman of Unilever PLC.

Unilever, the Anglo-Dutch consumer products company, also said its boards intend to appoint Johan P. Erbe, currently chairman of the overseas committee and a vice chairman of Unilever NV, to be a member of the special committee.

In addition, at the annual general meetings in 1986, the companies said they intend to nominate Wallace K. Gruhn and Michael G. Heron as directors of the parent companies. Tom Drion, a joint secretary of Unilever PLC and Unilever NV, is to retire in 1986 after 32 years with the group. D. Coen Buijs, senior member of the legal department in Rotterdam, will succeed Mr. Drion.

Sheraton, the hotel chain owned by ITC Corp., has appointed Andre Penard as area manager for the Benelux countries, succeeding Karl Forster, who continues as vice president, area manager, for Sheraton's operations in West Germany, Austria and Switzerland from his base in Munich. Mr. Penard will continue to serve as general manager of the Brussels Sheraton.

BMW (GB) Ltd., the British unit of the West German automaker, Bayerische Motoren Werke AG, has named Frank Stenner as finance director, succeeding Eberhard Potthmann, who has left the company. Mr. Stenner previously was in BMW's headquarters in Munich as head of group finance, a post in which he was succeeded by Volker Schindler.

Rabobank Nederland has opened a representative office in Paris and appointed Jacqueline Le Moigner to head that office. She previously was in the bank's head office in Utrecht, the Netherlands.

Leyland Trucks has named Roger Dougherty to the new post of European operations director. He will head a team aimed at spearheading the company's return to key European markets outside France and the Benelux. Mr. Dougherty returns to Britain after nearly three years in France as head of Leyland Vehicles Industriels, a subsidiary. In France, Mr. Dougherty is succeeded by Owen Quinn.

People Express Airlines has named Timothy M. Burke as manager for London and Brussels. He succeeds Robert Monroe, who is returning after two years in London to the carrier's Newark, New Jersey head office as team manager for construction and development at Newark International Airport's Terminal C. Mr. Burke previously worked for People in various U.S. cities.

Nordic Investment Bank has named Jannik Lindbak of Norway as managing director, effective in March. He will succeed Bert Lindstrom of Sweden, head of NTB since it was established in 1976, who is retiring. Mr. Lindbak was president of Storebrand Norden, the largest insurance company in Norway, from 1976 until June of this year, when he and a number of other senior executives resigned following a dispute with management. Nordic Investment Bank is owned by Denmark, Norway, Finland, Sweden and Iceland.

Bank of Ireland has opened a representative office in Brussels, headed by Frank Hayes, who is the bank's European representative.

Kassels-Oskke-Pankki of Helsinki has appointed Teppo Tahvanainen as a director. He was deputy managing director of Bank of Helsinki.

COMPANY NOTES

Bell Group Ltd. bought about 10 million shares of Broken Hill Pty. on the market Tuesday at 8.85 Australian dollars (\$5.98) each, well above the closing market price of 8.42 dollars, dealers said.

Brown, Boveri & Cie. shares resumed trading on West German stock exchanges Tuesday and dealers said they expected the price to rise up to the 310 Deutsche marks (\$122.53) offered by the Swiss parent company for a further 10-percent interest in its West German subsidiary. Trading was suspended Nov. 27.

Continental Oil Co. of Indonesia's appraisal well in Irian Jaya

province flowed 40.8-degree API oil at the rate of 4,411 barrels a day.

Forreston Little & Co. will receive \$20 million in exchange for dropping claims arising from the investment firm's unsuccessful bid to acquire Revlon Inc. Revlon was purchased last month for \$1.83 billion by Panty Pride Inc. Forreston Little said all litigation would be ended "as promptly as practicable."

General Motors Corp. may phase out its current Chevrolet Camaro and Pontiac Firebird models by 1988, GM had pledged to keep its Van Nuys plant in Los Angeles open only as long as the current Camaros and Firebirds remain in the lineup. The plant employs 4,300 hourly and 500 salaried workers.

Litton Industries Inc. reported a 35.5-percent drop in net income to \$43.7 million from \$67.8 million in

its first quarter ended Oct. 31. During the quarter, the company bought back about 35 percent of its own stock. First-quarter sales dropped to \$1.1 billion from \$1.7 billion.

Pioneer Airlines/Continental has signed a contract to buy five ATR 42-300 twin-engine turboprop planes and take an option on four more. The 46-seat ATR 42-300, built by a consortium consisting of France's Aerospatiale and Italy's Aeritalia SpA, is designed for short flights.

Pressmag AG reported that group profit in the third quarter of 1985 was slightly lower than in the third quarter of 1984. It gave no figures. Domestic group revenue for nine months fell to 3.17 billion Deutsche marks (\$1.27 billion) from 3.48 billion, mainly because of lower metal prices.

Floating-Rate Notes

Dollar	
Issuer/Note	Coupon Rate Bid Ask
Amstar 12/15/85	7 1/2% 102 1/2 103 1/2
Amstar 12/15/85	8 1/2% 102 1/2 103 1/2
Amstar 12/15/85	9 1/2% 102 1/2 103 1/2
Amstar 12/15/85	10 1/2% 102 1/2 103 1/2
Amstar 12/15/85	11 1/2% 102 1/2 103 1/2
Amstar 12/15/85	12 1/2% 102 1/2 103 1/2
Amstar 12/15/85	13 1/2% 102 1/2 103 1/2
Amstar 12/15/85	14 1/2% 102 1/2 103 1/2
Amstar 12/15/85	15 1/2% 102 1/2 103 1/2
Amstar 12/15/85	16 1/2% 102 1/2 103 1/2
Amstar 12/15/85	17 1/2% 102 1/2 103 1/2
Amstar 12/15/85	18 1/2% 102 1/2 103 1/2
Amstar 12/15/85	19 1/2% 102 1/2 103 1/2
Amstar 12/15/85	20 1/2% 102 1/2 103 1/2
Amstar 12/15/85	21 1/2% 102 1/2 103 1/2
Amstar 12/15/85	22 1/2% 102 1/2 103 1/2
Amstar 12/15/85	23 1/2% 102 1/2 103 1/2
Amstar 12/15/85	24 1/2% 102 1/2 103 1/2
Amstar 12/15/85	25 1/2% 102 1/2 103 1/2
Amstar 12/15/85	26 1/2% 102 1/2 103 1/2
Amstar 12/15/85	27 1/2% 102 1/2 103 1/2
Amstar 12/15/85	28 1/2% 102 1/2 103 1/2
Amstar 12/15/85	29 1/2% 102 1/2 103 1/2
Amstar 12/15/85	30 1/2% 102 1/2 103 1/2
Amstar 12/15/85	31 1/2% 102 1/2 103 1/2
Amstar 12/15/85	32 1/2% 102 1/2 103 1/2
Amstar 12/15/85	33 1/2% 102 1/2 103 1/2
Amstar 12/15/85	34 1/2% 102 1/2 103 1/2
Amstar 12/15/85	35 1/2% 102 1/2 103 1/2
Amstar 12/15/85	36 1/2% 102 1/2 103 1/2
Amstar 12/15/85	37 1/2% 102 1/2 103 1/2
Amstar 12/15/85	38 1/2% 102 1/2 103 1/2
Amstar 12/15/85	39 1/2% 102 1/2 103 1/2
Amstar 12/15/85	40 1/2% 102 1/2 103 1/2
Amstar 12/15/85	41 1/2% 102 1/2 103 1/2
Amstar 12/15/85	42 1/2% 102 1/2 103 1/2
Amstar 12/15/85	43 1/2% 102 1/2 103 1/2
Amstar 12/15/85	44 1/2% 102 1/2 103 1/2
Amstar 12/15/85	45 1/2% 102 1/2 103 1/2
Amstar 12/15/85	46 1/2% 102 1/2 103 1/2
Amstar 12/15/85	47 1/2% 102 1/2 103 1/2
Amstar 12/15/85	48 1/2% 102 1/2 103 1/2
Amstar 12/15/85	49 1/2% 102 1/2 103 1/2
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Amstar 12/15/85	57 1/2% 102 1/2 103 1/2
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Amstar 12/15/85	66 1/2% 102 1/2 103 1/2
Amstar 12/15/85	67 1/2% 102 1/2 103 1/2
Amstar 12/15/85	68 1/2% 102 1/2 103 1/2
Amstar 12/15/85	69 1/2% 102 1/2 103 1/2
Amstar 12/15/85	70 1/2% 102 1/2 103 1/2
Amstar 12/15/85	71 1/2% 102 1/2 103 1/2
Amstar 12/15/85	72 1/2% 102 1/2 103 1/2
Amstar 12/15/85	73 1/2% 102 1/2 103 1/2
Amstar 12/15/85	74 1/2% 102 1/2 103 1/2
Amstar 12/15/85	75 1/2% 102 1/2 103 1/2
Amstar 12/15/85	76 1/2% 102 1/2 103 1/2
Amstar 12/15/85	77 1/2% 102 1/2 103 1/2
Amstar 12/15/85	78 1/2% 102 1/2 103 1/2
Amstar 12/15/85	79 1/2% 102 1/2 103 1/2
Amstar 12/15/85	80 1/2% 102 1/2 103 1/2
Amstar 12/15/85	81 1/2% 102 1/2 103 1/2
Amstar 12/15/85	82 1/2% 102 1/2 103 1/2
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Amstar 12/15/85	87 1/2% 102 1/2 103 1/2
Amstar 12/15/85	88 1/2% 102 1/2 103 1/2
Amstar 12/15/85	89 1/2% 102 1/2 103 1/2
Amstar 12/15/85	90 1/2% 102 1/2 103 1/2
Amstar 12/15/85	91 1/2% 102 1/2 103 1/2
Amstar 12/15/85	92 1/2% 102 1/2 103 1/2
Amstar 12/15/85	93 1/2% 102 1/2 103 1/2
Amstar 12/15/85	94 1/2% 102 1/2 103 1/2
Amstar 12/15/85	95 1/2% 102 1/2 103 1/2
Amstar 12/15/85	96 1/2% 102 1/2 103 1/2
Amstar 12/15/85	97 1/2% 102 1/2 103 1/2
Amstar 12/15/85	98 1/2% 102 1/2 103 1/2
Amstar 12/15/85	99 1/2% 102 1/2 103 1/2
Amstar 12/15/85	100 1/2% 102 1/2 103 1/2

Non Dollar

Issuer/Note	Coupon Rate Bid Ask
Amstar 12/15/85	7 1/2% 102 1/2 103 1/2
Amstar 12/15/85	8 1/2% 102 1/2 103 1/2
Amstar 12/15/85	9 1/2% 102 1/2 103 1/2
Amstar 12/15/85	10 1/2% 102 1/2 103 1/2
Amstar 12/15/85	11 1/2% 102 1/2 103 1/2
Amstar 12/15/85	12 1/2% 102 1/2 103 1/2
Amstar 12/15/85	13 1/2% 102 1/2 103 1/2
Amstar 12/15/85	14 1/2% 102 1/2 103 1/2
Amstar 12/15/85	15 1/2% 102 1/2 103 1/2
Amstar 12/15/85	16 1/2% 102 1/2 103 1/2
Amstar 12/15/85	17 1/2% 102 1/2 103 1/2
Amstar 12/15/85	18 1/2% 102 1/2 103 1/2
Amstar 12/15/85	19 1/2% 102 1/2 103 1/2
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Amstar 12/15/85	21 1/2% 102 1/2 103 1/2
Amstar 12/15/85	22 1/2% 102 1/2 103 1/2
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Amstar 12/15/85	31 1/2% 102 1/2 103 1/2
Amstar 12/15/85	32 1/2% 102 1/2 103 1/2
Amstar 12/15/85	33 1/2% 102 1/2 103 1/2
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Amstar 12/15/85	79 1/2% 102 1/2 103 1/2
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Amstar 12/15/85	96 1/2% 102 1/2 103 1/2
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Amstar 12/15/85	99 1/2% 102 1/2 103 1/2
Amstar 12/15/85	100 1/2% 102 1/2 103 1/2



Helaba Frankfurt in brief. A solid banking partner.

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12 Month		Stock	Div.	Yld.	PE	52-Week		Close	Quot.	Chgs.
High	Low					High	Low			

(Continued from Page 14)

Dec 3

WHEAT (CBT)
5,000 bu minimum- dollars per bushel

CORN (CBT)
5,000 bu minimum, dollars per bushel

Est. Sales 38,000 Prev. Sales 21,100
Prev. Day Open (at 141.592 off) 1,767

6.74	4.98½	Aug	5.17	5.23½	5.12	5.23½	+0.9%
6.28	4.96	Sep	5.09	5.13	5.07½	5.12½	+0.6%
6.32	4.98	Nov	5.06½	5.17½	5.05½	5.12	+0.4%

1984 Ending	1985 Ending	Month	1984	1985	1986	1987	Change
184.00	125.40	Dec	144.30	145.80	149.20	145.70	+60
162.00	127.00	Jan	142.50	145.20	141.90	145.70	+130
206.50	130.00	Mar	141.70	145.80	141.30	145.60	+300

Est. Sales 20,000 Prev. Sales 12,483
Prev. Day Open Int. 42,750 off 175

23.29	19.48	Jul	19.63	20.05	19.60	20.00	+ .20
25.15	19.48	Aug	19.70	19.75	19.70	20.00	+ .20
24.05	19.52	Sep	19.80	19.83	19.80	19.83	— .05
22.20	19.52	Oct	19.80	19.80	19.75	19.80	— .20

CATTLE (CME)
40,000 lbs. - contracts per lb.

65.30	59.10	Dec	60.10	60.50	60.10	60.35	-70
Est. Sales	24,910	Prev. Sales	17,593				
Prev. Day Open Int.	68,592						

Est. Sales	1,820	Prev. Sales	1,394
Prev. Day Open Int.	10,365		

49.85	48.45	Jul	44.70	44.85	44.10	44.50	1-31
51.90	49.25	Aug	43.50	43.70	43.30	43.37	1-28
41.70	38.07	Oct	40.30	40.50	40.10	40.15	1-17
40.80	38.55		41.30	41.30	41.30	41.30	

75.40	55.65	Mar	64.50	64.55	62.95	63.52	-1.15
75.60	57.05	May	65.50	65.50	64.30	64.80	-1.17
76.00	57.30	Jul	65.95	65.95	64.47	65.30	-1.02

COPPER C (NYCSE)
37,500 lbs.-cents per lb.

Dec. 3

148.19	130	12.60	r	12.60	r	0.25
148.19	135	12.60	r	12.60	r	0.70
148.19	140	8.20	r	8.00	r	1.50
148.19	145	7.20	r	5.30	0.25	1.20

71.94	73	r	0.11	r	1.19	r	r
71.94	74	r	r	r	1.99	r	2.37

52,500 West German Marks=cents per unit.

39.52	40	0.14	0.45	1.09	0.60	0.75	1.21
39.52	41	r	0.18	0.68	r	r	r

125,000 French francs—10ths of a cent per unit.

48.83	45	3.84	r	r	r	r	0.06
48.83	66	2.82	2.89	2.90	r	0.03	0.11
48.83	47	1.82	1.88	2.04	r	r	0.26

42,500 Swiss Francs-cents per unit.	36	11.35	5	7	5	7
SFranc	36	11.35	5	7	5	7
42.72	36	11.35	5	7	5	7

	Feb	May	Aug	Feb	May	Aug	r	r
42,500 Swiss Francs—cents per unit								

1

100

	1983	1984
Net Income	29.39	254.10
Per Share	4.02	5.48
	0.36	0.37
Liton Industries		
1st Quar.	1983	1984
Revenue	1,100	1,170
Net Income	43.7	47.3
Per Share	1.26	1.39

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

[illegible]

O		P		Q		R		S		T		U		V		W		X		Y		Z	
1W	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	
10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	
11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	
12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	
13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	
14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	
15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	
16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	
17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	
18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	
19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	
20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	
21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	
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24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	
25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	
26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	
27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	
28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	
29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	
30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	
31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	
32	33	34	35	36	37	38	39	40															

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Year	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100
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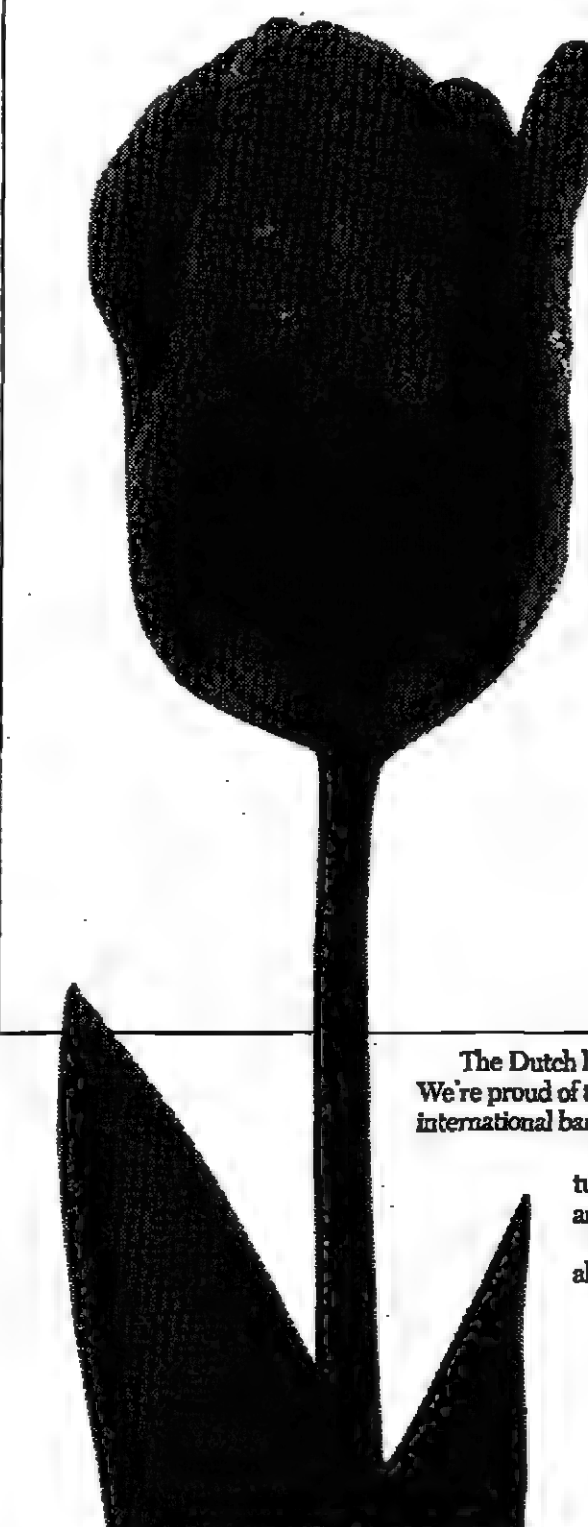
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Month	High	Low	Stock	Dn. Vg. PE	Stk.	Low	High	Low	High	Case	Div.	Chr.
2/24	1.4%	Time	1.24	2.7	12	17	325	49%	19%	20%	+	W
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4/24	1.4%	Time	1.24	2.7	12	17	325	49%	19%	20%	+	W
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Aerial Spraying Contract Onchocerciasis Control Program West Africa



NOT IN INTERNATIONAL BANKING

if three may be requested by the Organization to meet the increased workload of the rainy season.

A single contractor with a proved successful management structure will be appointed to be responsible for all the required aerial operations; a consortium of companies with a complex management structure will not be acceptable to the Organization. However, sub-contracting will be permissible with the prior agreement of WHO.

Contractors who wish to be considered to tender are invited to write to the address below marking the envelope "OCP Aerial Spraying Contract" and providing the following details:

- (1) Number of years company has been in operation;
- (2) Details of management structure and experience in aerial spraying;
- (3) Number and types of aircraft owned and operated;
- (4) Number of pilots and engineers in permanent employment;
- (5) Names of countries where company has carried out aerial contracts with indications of type of work carried out;
- (6) Experience in the development of specialized spraying equipment;
- (7) Proposals, if any, for sub-contracting;
- (8) Indication of the method by which a Bid Bond of 10%, Performance Bond of 25% and Payment Bond of 20% respectively of anticipated contract price will be provided.

All such information, which will be treated in strictest confidence, must be provided in English or French and be received in Geneva by January 17, 1986. Companies, pre-selected to tender on the basis of an adequate response to this advertisement, will then be required to attend an on-site briefing in Ouagadougou and the program area, during the week commencing February 17, 1986.

It must be emphasized that the final selection of contractor will not be on bid price alone, but will also be based on technical merit.

Chief, Liaison Office
Oncohepatocarcinoma Control Program
World Health Organization
1211 GENEVA 27
Switzerland.

The Dutch have a worldwide reputation. For being good, astute businessmen. We're proud of this. But we also know that it's just not enough. Not in the world of international banking which grows daily more complex and sophisticated.

Today, AMRO has an international banking capability precisely tuned to institutional, commercial and corporate needs. Indeed, we are built around them.

Why not get in touch and test our competitive edge. We've got all of the Dutch business virtues as well.

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ANTWERP BASEL BERLIN BERNE BONN COLOGNE COLOMBO DUBAI DUSSELDORF FRANKFURT GENEVA HAMBURG HONG KONG HOUSTON JAKARTA LONDON

12 Month									
High Low	Stock	Div.	Yld.	PE	Sts.	High	Low	Close	Quot. Chg.

He told a delegation from the Japanese Association for the Promotion of International

BEIJING — The Chinese leader, Deng Xiaoping, has again told Japan that China will not tolerate a continuing major trade deficit, the official Xinhua News Agency reported Tuesday.

If the imbalance in Sino-Japanese trade is not corrected, it is impossible for China and Japan to further their economic contacts and trade," the agency quoted Deng as saying.

He told a delegation from the Japanese Association for the Promotion of International Trade in China that China could support a trade deficit for one or two years, but not a third.

China's foreign trade minister, Zheng Tuo-pin, said Tuesday that he expected the trade deficit with Japan to widen to about \$5 billion this year from \$1.25 billion last year.

Herald Tribune
Published Every Day, except on Sundays and the Regular Holiday Days

SUNDAY, 26th JANUARY, 1986

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Israeli Austerity Hurts, but Worse Is Yet to Come

(Continued from Page 13)

would buy a car, an apartment, a television, except for one man who said he would "buy tomatoes" — a sign of the new high prices of some products.

Dan Propper, co-manager of Osem Group, one of Israel's largest food producers, said that "people are starting to be proud again" after the work of the shop floor rather than what we had in the last few years, when people found they could profit more from financial engineering and wizardry than worrying about productivity.

But the bad news is that things are likely to get worse before they get better. If the economic gains are to be sustained and to lead to both noninflationary growth and a much-needed shift in the Israeli economy from domination by government spending to growing export industries, there is almost certainly going to be a prolonged period of unemployment and further cuts in government services and military spending.

Because of its tiny domestic market, the only way that the Israeli economy can grow is by finding customers abroad. But many of its traditional exports no longer suffice: cotton is in a worldwide slump now that China has jumped into the market and the Jaffa oranges and grapefruit sent to Europe face stiff competition from Morocco and Spain with their cheaper labor costs.

Hence, the consensus among economists is that the only answer is a structural transformation away from an agriculture-based economy, in which one out of every three Israelis works for the huge government bureaucracy, to one oriented toward high-tech industrial growth. In other words, a Jewish Japan.

A heated debate is now taking place in the cabinet over Mr. Modai's demand that the equivalent of another \$600 million be slashed from the budget next year. Cabinet ministers are each pointing fingers at the others, spending first.

In one indication of the bitterness of the debate, Health Minister Mordechai Gur reportedly called

Mr. Modai a "maniac" whose budget trimming would destroy the health system. An incensed Mr. Modai boycotted a recent cabinet meeting, demanding an apology from Mr. Gur.

"The biggest danger now is being too pleased at what has already been achieved," said Michael Bruno, a Hebrew University economist and one of the main architects of the economic recovery program. "We have given a very ill patient a huge dose of tranquilizers and the immediate effect has been to make him feel good; many think it is the cure and that the operation is not now needed. But the truth is, we are still in the midst of surgery, and we must not stop now."

When Israel's national unity cabinet, built around a coalition of the Labor and Likud parties, came into office in September 1984, it was widely agreed that it had two basic tasks: to cure the economy and to get the army out of Lebanon. The exodus from Lebanon turned out to be easier.

On the economic front, the cabinet opted for a gradual approach based on a social contract, or "package deal" worked out by the government, the Histadrut Labor Federation, which comprises 90 percent of the country's wage earners, and the Manufacturers' Association.

Two basic packages were attempted, one in November 1984 and another last March. Both involved partial wage freezes, near-total price freezes and promises by the government to cut demand by slashing its budget, which is equivalent to \$23 billion. These plans did manage temporarily to bring down inflation to around 7 percent a month last May through artificial controls, but inconsistencies in the plans and the failure of the government to stick to its demand for trimming its budget eventually made both fail.

By June inflation was back in the double-digit-and-soaring range and dollar reserves were falling well below the government "red line" of \$2 billion. The cabinet seemed to be losing its grip on the economy.

In early June, Mr. Peres and Mr. Modai ordered a team of government and university economists to meet secretly in a Jerusalem apartment and draw up an economic stabilization plan, which was sprung on the public on July 1.

The key to the new plan was that instead of focusing on cutting nominal prices it focused on all the elements that go into the pricing process: demand, wages and the exchange rate.

The shekel was devalued 18.8 percent, to roughly 1.50 to the dollar, but the inflationary impact of that was lessened because the shekel's value was frozen at the same level for three months, and wages and prices were also frozen.

Cost-of-living increments to compensate for inflation were sharply reduced, so that inflation-adjusted wages were almost immediately eroded by 25 percent. Government manpower was ordered cut by 3 percent, or 10,000 people, and the government deficit was reduced by \$940 million through a combination of higher taxes and reduced subsidies and services.

With the rise in October's consumer price index being held to 4.7 percent, in contrast to 27.5 percent in July, the program is clearly having an effect. But the government, the country's biggest employer, still has not fired two-thirds of the 10,000 workers it vowed to dismiss. And another \$600 million will have to come off the budget next year, if the government is going to be able to lower taxes.

The government is hoping that by lowering taxes it can increase take-home pay and mute demands for higher wages, and thus enable manufacturers to keep their prices relatively flat.

Since further reductions in defense spending have been ruled out, it means that some entitlement programs, such as free doctor visits and secondary school education, are going to suffer. With the decline in spending by the government, unemployment is expected to climb to 10 percent in coming months from

7 percent now, a situation that is antithetical to the whole notion of Zionism. The government cannot ask Jews to emigrate to an Israel that cannot employ them.

While most Israelis remain supportive of the government measures in the abstract, they are starting to complain as the measures begin to impinge on their lives.

A few sectors feeling the pinch of austerity include:

WORKERS. The plight of the Israeli worker is best illustrated by the situation of those who are the lowest on the pay scale but traditionally highest in status: career soldiers. Following the latest reductions in real wages, scores of career officers are trying to get out of their service contracts because they can no longer afford to be in the army. Requests for loans by army officers are at a record high.

DEVELOPMENT TOWNS. With less money coming in from taxes and the central government, dozens of development towns, which absorb new immigrants and spread the population into outlying areas, are in serious trouble.

Acres, for example, a town of 14,000 Jews and Arabs north of Haifa, gets 17 percent of its budget from local taxes and 83 percent from the central government. For the past few months, municipal employees have been receiving their checks later and later. Every month they strike. Soon the walkouts may be open season.

BUSINESS. Because the rate of inflation has come down faster than the rate of interest, many businesses find themselves squeezed by their bankers on one side, charging 20 percent interest for dollar loans, and shrinking domestic demand on the other.

Finance Ministry sources say the government may have to bail out several concerns to prevent a chain reaction of bankruptcies. Among those most in need are some of the leading industrial concerns, the collective farms, private firms, Zim Shipping, Sotek Boneh construction company, Beit Sheshem Engines and Israel Shipyard.

Thais Consider Own Tin Market

By Robert R. Taylor

BANGKOK — Thailand is studying ways to set up its own tin market following the suspension of trading at the London Metal Exchange and the Kuala Lumpur tin market, government sources said Tuesday.

The sources said the government is considering a proposal made by Thailand Smelting & Refining Co. to fix a daily reference price for Thai tin.

Two weeks ago, the cabinet approved an industry Ministry proposal for Thailand to try to open its own market in the absence of tin quotations from London, Kuala Lumpur or New York.

Perks Still A Big Plus

(Continued from Page 13)

monthly British magazine. Mr. Boley pointed out that company cars represent 65 percent of new British cars sold last year.

According to the Brussels-based Executive Compensation Service Inc., a division of Wyatt Co., a U.S. consulting company, 92 percent of top British managers have a company car. According to the same survey, in spite of higher tax rates on more expensive cars, British chief executives are more, not less, concerned about the status of their car.

Among the readership of Chief Executive, which runs a regular feature on executive cars, the Ford Granada is the most popular car, the Rover is a close second and the Jaguar comes in third. And if fewer chief executives have sports cars, such as Ferraris or Porsches, it is because of board members' concern for their safety.

Board members get twitchy about their top executives driving a sports car," Mr. Boley said.

CURRENCY MARKETS

Dollar Strengthens in Europe, U.S.

Compiled by Our Staff From Dispatches

NEW YORK — The dollar closed stronger in Europe and the United States on Tuesday, underpinned by corporate purchases and news of better-than-expected U.S. economic data.

Dealers said the dollar also was buoyed by a statement by the governor of the Bank of Japan that the Japanese central bank is satisfied with the yen at current exchange rates. The governor, Satoshi Sumita, also said that he did not anticipate a cut anytime soon in the U.S. discount rate, the Federal Reserve's benchmark lending rate.

"The market was dollar positive following Monday's rebound," said Carmine Rotondo, chief trader at Manufacturers Hanover Trust. "Mr. Sumita's remarks then helped drive the dollar up."

In New York, the dollar traded as high as 205 yen before easing back to 204.70 yen, up from 203.70 Monday. Earlier in Tokyo it closed at 203.95 yen, up from 203.10.

The British pound closed in London at \$1.4815, down from its previous close of \$1.4885. But it gained against the mark, ending at 3.7532 DM versus 3.7518 on Monday.

The dollar also finished in London at 2.1105 Swiss francs, slightly up from 2.1015 at the close there Monday, and at 7.7250 French francs, up from 7.6805.

The British pound, which had briefly traded above the \$1.50 level on Monday for the first time in more than two years, closed at \$1.4815, down from \$1.4885 at the previous close.

Dealers said the dollar's advance began in European markets after the U.S. Commerce Department reported that its Index of Leading Economic Indicators rose 0.3 percent in October, the sixth consecutive month of improvement.

In London, where the dollar fell briefly below 2.50 DM on Monday for the first time in 2½ years, the U.S. currency ended at 2.5335 DM, up from its previous close of 2.5185. Dealers said the U.S. currency traded as high as \$2.5415 DM at midsession.

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THE EUROMARKETS

Market Eases Following Sell-Off in U.S.

By Christopher Pizze

By Robert R. Taylor

LONDON — Secondary market prices in the Eurobond market were lower Tuesday with the dollar-straight sector seeing declines of 3/4 to 1/2 percent after Monday's sell-off on the U.S. credit markets, dealers said.

However, most of the declines occurred in the morning, and the dealers said trading tended to slacken in the afternoon. Floating-rate-note trading was featured by a slump in the prices of issues for Malaysia, dealers added.

In the primary market, General Motors Acceptance Corp. issued a \$200-million bond paying 9 3/4 percent over seven years and priced at par. The issue has a further 240

million remaining on tap and was quoted on the when-issued market within the total 1 1/2 percent fees at a discount of about 1 1/2 percent.

The Anglo Building Society issued a \$100-million floating rate note paying 1/4 point over the three-month London interbank offered rate, although the first coupon has been fixed at 1 1/4 percent from Dec. 30 until April 14, 1986.

The 12-year issue was priced at 100.05 and has investor put options after eight and 10 years. It is callable after five years at par. The lead manager was Morgan Guaranty Ltd. and the issue ended just on the total cost to co-managers at 99.925. The fees totaled 19 basis points.

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Tuesday's OTC Prices
NASDAQ prices as of 3 p.m. New York Time
Via The Associated Press

12 Month High Low Stock Div. Yld. % High Low 3 P.M. CHG

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SPORTS

Navratilova, Mandlikova to Meet in Semis

Compiled by Our Staff From Dispatches

MELBOURNE — Martina

Navratilova has won hundreds of

matches in her career, but Tuesday's

match was one of the most satisfying.

Navratilova helped wipe out

memories of one of her most bitter

defeats by beating Helena Sukova

of Czechoslovakia, 6-2, 6-2, in the

quarterfinals of the Australian

Open tennis championships.

It was Sukova who defeated

Navratilova in the semifinals here

last year, ending her bid to com-

plete a calendar-year grand slam.

This time it was no contest as the

second-seeded Navratilova took her

career record against the eighth-

seeded Sukova to 9-1 with a clinical

56-minute victory.

"It wasn't a personal vendetta —

just a professional one," said the

Czech-born Navratilova. "I think I

was ready from the first point. I felt

like a prize fighter out there."

Navratilova earned a semifinal

meeting Thursday with Hana

Mandlikova, also of Czechoslovakia.

Mandlikova advanced by de-

feating the No. 6 seed, American

Zina Garrison, 2-6, 6-3, 6-3.

Wimbledon champion Navratilova

is looking forward to a re-

match with Mandlikova, whom she

beat in the final of the Sydney tour-

nament late last month. "You'd

better believe I'm ready for Hana,"

Navratilova said. "It will be a good

serve-and-volley match, and I think

I can break Hana's serve more than

she can break mine."

The other semifinal will be be-

tween defending champion Chris

Evert Lloyd of the United States,

the top seed, and fifth-seeded Cla-

udia Kohde-Kilsch of West Germa-

ny.

Kohde-Kilsch on Tuesday ended

the run of 10th-seeded Catarina

Lindqvist of Sweden by defeating

the baseline, 6-4, 6-0, while Evert

Lloyd downed seventh-seeded

Mamela Maleeva of Bulgaria, 6-3,

6-3.

Two-time champion Mats Wil-

ander of Sweden raced past un-

seeded American Tim Wilkison, 7-

6, 6-3, 6-3, to move into the men's

quarterfinals.

Wilkison, 21, aiming to win the

fifth grand slam title of his career,

has dropped only one set in the

tournament. He was too consistent

and persistent for power-serving

Wilkison.

AUSTRALIAN OPEN

Unfazed by rain showers that

interrupted the match in its early

going, Wilander took the first set

the breaker 7-1 and was in com-

mand from then on.

"I think I played my best match

of the tournament," said Wilander.

"I was steadier than in my previous

matches."

Wilander said he had begun to

consider the possibility of becom-

ing only the third player ever to win

three straight open titles; he next

will meet another two-time cham-

pion, South African-born Johan

Kriek.

Kriek advanced on Monday by

defeating Jay Lapidus in straight

sets.

"I'm thinking about it, but it will

be very tough," Wilander said. "I'll

have to play a bit better than I did

today. I'm confident against Kriek,

but he's certainly dangerous."

Wilander defeated sixth-seeded

Kriek 6-1 6-0 6-2 in last year's

semifinals here.

The rest of the men's quarter-

final lineup: Michael Schapery vs.

Stefan Edberg, John Lloyd vs. Ivan

Lendl or Christo Steyn (Tuesday's

morning rains postponed the top-

seeded Lendl's match against

Steyn, an unseeded South African)

and John McEnroe vs. Slobodan

Zivojnovic.

Said Ion Tiriac, the former Ro-

manian star now guiding Zivojnovic:

"On a given day, Bobo can be

more powerful than anyone. He's

ready to handle any player, al-

though McEnroe is a special entity

in the game."

Schapery, an unheralded Dutch-

man who scored a second-round

triumph over Wimbledon cham-

pion Boris Becker, led Tim Gullikson

7-6, when the American was forced

to withdraw with severe back

spasms. Schapery, ranked 188th

worldwide, won the tie breaker, 7-

0, before Gullikson decided he'd

had enough.

Lloyd, the beaten finalist here in

1977, played extremely well in de-

feating the No. 7 seed, Joakim Ny-

strom of Sweden 6-2, 1-6, 6-4, 6-7, 6-

4. Lloyd rallied from 0-3 down in

the decisive set. "I thought he was

never going to lay down and die,"

he said.

The fifth-seeded Edberg saved

two third-set match points before

defeating Australian Wally Masur,

6-7, 2-6, 7-6, 6-4, 6-2. (AP, UPI)



Mats Wilander

... Looking for a third straight title.

Between Villainy and Scandal, a Referee Stands Tall

International Herald Tribune

LONDON — Does the spirit, the person-

ality, change with the shirt?

Less than three weeks ago, players from

Bordeaux Girondins and Paris-St. Germain

shared yet another ecstatic French embrace.

They, the backbone of the national team,

had qualified for the World Cup.

Last weekend, on separate sides in club

colors, six of those players bitterly contested

a league match in Bordeaux.

Nobody won, and nobody except the fans

lost. The scoreboard was never troubled,

although referee Michel Vautrot was, and

sorely. "I feel mentally and physically ex-

hausted," he said after the scoreless draw.

"I could not believe the language and

insults between men who played together for

the French national team so short a time

ago."

Vautrot took four names, an unsurprising

tally in so crucial a First Division match. Yet

his evident distress at what passed between

the players in perturbing.

Vautrot is no Boy Scout shocked by the

competitive arena. He handles villainy, ten-

sion and pressure on all continents with some

calm authority that he will not be far from

the World Cup final itself next summer in

Mexico (assuming France doesn't go all the

way).

Blessed with a language filter that goes

further, than a referee, I can only imagine

last weekend's insults from Gallic brother-

to brother.

But I know Vautrot. He is not given to

exaggeration; rather the opposite. His obser-

vation on his countrymen's schizophrenia

invites other questions.

Has the French mood — so ebullient, so

romantic in the European championship —

soured so drastically inside one year?

Cynical tactics that shored up national

captain Michel Platini's fine brace of goals to

beat Yugoslavia last month suggest it might

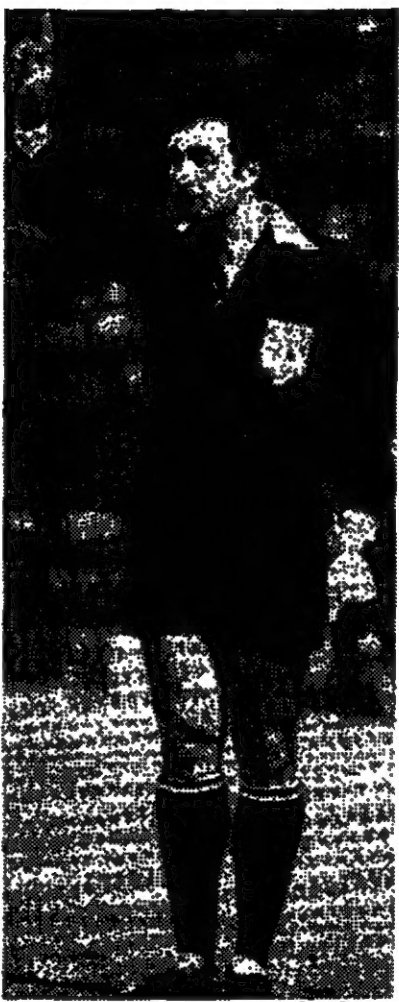
be so.

Platini's own statements (that winning is

the only joy, that Baron de Coubertin's

Olympic credo is a dead end, that the

French are dreadfully sad.



Referee Michel Vautrot

... Honors and postcards, but not bribes.

Sadder still was the behavior in Bordeaux.

Vautrot may be baffled by men who share

heroism one month and squabble like street-

fighters the next. The six who ran together

against Yugoslavia in Paris — Alain Giresse,

Jean Tigana, Patrick Battiston, Luis Fernan-

dez, Joel Bats, Dominique Rocheteau —

have come through 209 internationals be-

tween them.

In both camps there is hardly a player who

has not contributed to the winning of the

European championship, the 1984 Olympic

gold medal and now the World Cup qualifi-

cation.

They have roomed together, eaten,

dreamed, talked together. They probably

bunk together.

They have been honored together (most of

the 1984 championship team are official

heroes of France), and been reviled and doubt-

ed together when defeats outside France

threatened World Cup qualification.

And many of them have been brought up

together through the national youth system

that is the envy of scores of nations.

Yet now, with Paris-St. Germain about to

claim (from St. Etienne) the all-time French

record of 22 games without defeat and per-

haps finally to take the championship from

Bordeaux, they would scratch each other's

eyes out.

The childishness of the international soc-

cer star is at times so appalling it is almost

worth unleashing a whole gamut of Califor-

nia shrinks on them.

Still, French follies will register nothing

on the Richter scale of Italian scandal. Ask

Monsieur Vautrot.

By the long arm of coincidence, 18 months

ago in Rome Vautrot refereed the European

Cup semifinal in which A.S. Roma over-

hauled a 0-2 deficit from the first leg against

Dundee United.

Dino Viola, the Roma president, is not

denying he handed 100 million lire (about

\$60,000) to two intermediaries who offered

to influence the referee.

Vautrot denies any approach was made to

him.

The two — a former Inter Milan player

and a former Avellino general manager —

absconded with the money.

Viola, protecting his reputation as a na-

tional senator as well as Roma's figurehead,

has engaged one of Italy's top criminal law-

yers to conduct his attempts to recoup the

cash.

His own defense is that, far from seeking

to bribe Vautrot, the good Viola thought his

outlay might help to unveil "the Mr. Fiat"

who bedevils Italian soccer.

The betting around Rome this week is that

the affair will, like the two intermediaries

and untold previous cases, disappear into the

sands.

Vautrot will not.

I know him to be an extraordinary man of

extraordinary integrity — bedridden with a

serious heart complaint through his child-

hood and early teens, he then dedicated his

life to seeking perfection as an arbiter in the

game he believed denied to him.

I have been to the home he shares with his

mother in Besençon, in Southern France. I

have seen his correctness as a government

inspector in education, his physical fitness,

his pride in a medal — presented by Italy, of

all places — for being 1983's best European

referee.

He collects honors and postcards, but not

bribes.

Things Italian are harder to vouch for.

Barely a month ago, film and stage director

Franco Zeffirelli complained that his law-

yers were not allowed to offer a shred of evi-

dence when a criminal court fined him 41 million

lire for his "libelous" claims that Juventus

influenced referees.

And last weekend, the stars of Italy's First

Division were Paolo Rossi and Bruno Gior-

dano.

Each scored twice for his new club — AC

Milan and Naples, respectively — and only

those of shallow memory will forget that

each began the decade under two years' sus-

pension after a massive betting scandal.

As you and I breathe in carbon monoxide

with our air, so the Italian inhales corruption

with his soccer.

mi receiver Nat Moore, scoring one of his two first-half touchdowns against Chicago.

Chicago's Streak Stopped at 12

Marino Throws for 3 TDs as Dolphins Beat Bears, 38-24

The Associated Press

MIAMI — The so-called un-

beatable team that just had itself

called unbeatable. So how did

Chicago Bears feel about hav-

ing their 12-game winning streak

ended by the Miami Dolphins here

last night?

Nobody's invincible, nobody's

eternal, Chicago Coach Mike

Tice said after his team suffered

its first defeat in the National Football

League of the season, 38-24, to the

Dolphins. "We'll bounce back. It

goes for us. I only have one

hope for us as far as we're

concerned. We go to the playoffs

and play them again."

The Dolphins suddenly look as if

they can go a long way indeed.

Miami was like a game from a

yesterday when they began 11-0 en-

route to a 14-2 regular season re-

cord and a berth in the Super Bowl

last year.

Miami scored on all five pos-

sitions in the first half, and had 31

at intermission — more than

any team in the league in the

first half of any game. In the

Pickling All 'Gourmets'

New York Times Senior

SHORTER CHAPTERS.

Spielberg & Co. Conjure Up Sherlock's Roots



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A top Chinese director, Zhao Ruocheng, says his Beijing theatre company plans to stage "Amadeus" by the British playwright Peter Shaffer. Zhao Ying, in an interview with Radio Australia, noted that, though the play depicts Wolfgang Amadeus Mozart as foul-mouthed, "the Chinese language is a very rich language and we have more four-letter words than the English language." The play is scheduled for February.

INTERNATIONAL CLASSIFIED

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